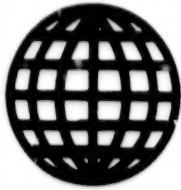


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**FOREIGN
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JPRS Report

Near East & South Asia

Near East & South Asia

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CONTENTS

18 March 1992

NEAR EAST

REGIONAL

Israeli 'Agents' Blamed for al-Musawi Killing [Nazareth AL-SINNARAH 21 Feb]	1
French Launch Trade Initiative in Gulf [London AL-SHARQ AL-AWSAT 30 Jan]	1
Egypt Denies Interfering in Sudanese Affairs [London AL-HAYAH 14 Jan]	1
PLO's Bal'awi Meets Tunisian Political Party Leader [Algiers VOP]	2
Accord To Strengthen UMA Cooperation Signed [Casablanca MAROC SOIR 1 Feb]	2
Inter-Arab Investments Up 55.1 Percent [London AL-MAJALLAH 14 Jan]	2

PALESTINIAN AFFAIRS

'Arafat Adviser on Peace Process Strategy [Jerusalem AL-MANAR 6 Jan]	3
Experts Envision Economy of Independent State [London AL-SHARQ AL-AWSAT 31 Jan]	5
Proposal for Transition to Autonomy [Jerusalem AL-QUDS 13 Jan]	6
Conflict in Interpretation of 'Transitional Period' [Jerusalem AL-QUDS 13 Jan]	7
Nabulus Meeting on Lack of Town Administration [Jerusalem AL-NAHAR 20 Jan]	8

ALGERIA

Brahimi on Iranian Ties, Chadli Resignation [EL MOUDJAHID 22 Jan]	10
Benouari Discusses Plan for 1992 Economic Recovery [EL MOUDJAHID 27 Jan]	11
Imports Forecast for 1992 Discussed [Casablanca MAROC SOIR 29 Jan]	11

EGYPT

'State Department' Report on Islamists Cited [AL-SHA'B 7 Jan]	12
Information Official on Foreign Affairs Issues [London AL-HAWADITH 3 Jan]	13
Pope Shanudah on Coptic-Muslim Coexistence [AKHIR SA'AH 8 Jan]	15
Information Secretary on Coptic Equality [ROSE AL-YUSUF 6 Jan]	16
Former Prime Minister on Arab Economic Policy [London AL-HAWADITH 3 Jan]	19
Domestic Production of M-1 Tank Reviewed [AL-JUMHURIYAH 6 Jan]	20
Overview of Industry Previous Two Years [THE EGYPTIAN GAZETTE 22 Jan]	21
Major Upgrade of Cairo Sewage System Celebrated [THE EGYPTIAN GAZETTE 22 Jan]	22
Military Institutes' Pay Raises [Cairo AL-JUMHURIYAH 1 Jan]	23

IRAQ

Officials Review Reconstruction of Installations [AL-JUMHURIYAH 18 Jan]	23
---	----

JORDAN

Foreign Minister: Extremism Will Rise If Talks Fail [London AL-HAYAH 7 Feb]	24
---	----

LEBANON

Relationship of Water Crisis to Peace Studied [London AL-HAYAH 26, 27, 28 Jan]	25
Economy Minister on International Pressures [London AL-HAYAH 10 Feb]	31
Fakhuri on Possible Belgian Reconstruction Role [London AL-HAYAH 10 Feb]	32
Report on Electrical Grid Damage, Equipment Needs [AL-SAFIR 24 Dec]	33

LIBYA

Conference Condemns 'New Crusaders Campaign' [JANA]	37
Arab Doctors Union Praises Pan-Arab Stance [JANA]	37

SUDAN

Al-Turabi on Foreign Relations, Opposition [London AL-HAYAH 6 Apr]	37
Director General Discusses Prison Reform	39
New Facility Proposed [SUNA 16 Jan]	39
Prisons To Educate Inmates [SUNA 20 Jan]	40
Official Downplays Malaria Threat	40
Incidence 'Normal Pattern' [SUNA 29 Jan]	40
Egyptian Sprayers Stopped [SUNA 11 Jan]	40

TUNISIA

Split Between LTDH Leaders Discussed	40
Motives Behind Gribaa Letter [REALITES 31 Jan]	40
Condemnation of Marzouki [LA PRESSE DE TUNISIE 23 Jan]	41

UNITED ARAB EMIRATES

ADNOC Reveals Organizational Structure [AL-KHALIJ 13 Jan]	43
Official Denies Treasury Notes To Remedy Deficit [London AL-HAYAH 28 Jan]	44

REGIONAL

Israeli 'Agents' Blamed for al-Musawi Killing

92P40136A

[Editorial Report] According to the Nazareth-based publication AL-SINNARAH in Arabic, in its 21 February issue, on page 2, "Israeli agents inside Hizballah" helped in carrying out the assassination of Shaykh 'Abbas al-Musawi. This is according to the newspaper's source, al-Hajj Husayn Khalil, who is identified as the director of Hizballah's political bureau in Lebanon. He adds that "a comprehensive study of Shiites who visited Israel" is being conducted in coordination with the Iranians.

According to AL-SINNARAH, Khalil thinks that the Israeli apparatus observing al-Musawi's motorcade was "linked to the operations room inside the 'security zone'" and that Israel would attack "any motorcade with a high-ranking Hizballah official." Khalil adds that high-ranking Iranian officials were in Lebanon to supervise Hizballah and that these included an assistant to Rafsanjani.

In an interview with al-Hajj Khalil carried by AL-SINNARAH in the same issue, Khalil gives more details about the Iranian team overseeing Hizballah. According to Khalil, the team is headed by Ahmad Janani, the special representative of the spiritual leader, and Mulla Masih Mohajer and 'Ali Taskhiri, who are assistants to Rafsanjani.

French Launch Trade Initiative in Gulf

92AE0213A London AL-SHARQ AL-AWSAT in Arabic
30 Jan 92 p 10

[Text] Paris—As part of its policy to expand its economic relations with the Arab countries, and the Gulf countries in particular, the French Government is launching a large-scale diplomatic campaign. At the time when French President Francois Mitterand is paying an official visit to the Sultanate of Oman, French Economy Minister Pierre Berezgouy is visiting Kuwait to participate in the joint French-Kuwaiti committee meetings. Despite the importance of the political and security subjects on the agenda of the French president's talks with Sultan Qabus, Mitterand was accompanied by large delegation of French businessmen and Minister of Industry and Foreign Trade Dominique Strauss-Kahn in order to discuss trade agreements. The French say that their trade volume with the Sultanate of Oman is very low. The value of their imports from the sultanate's products last year was only 84 million French francs (about \$15 million), most of which was fish and sea products. In the meantime, French exports reached about 400 million francs (about \$75 million) consisting of industrial goods.

The French hope to obtain a number of new contracts in the Sultanate of Oman, especially in the field of oil exploration and investment. The French delegation is accompanied by Luc Le [Flouche Brijan], chairman of the state-owned Alf Aquitaine oil company which has a small license for oil exploration in the sultanate. However, the company would like to obtain a broader license in areas where the chances of finding oil are greater.

Egypt Denies Interfering in Sudanese Affairs

92AF0423A London AL-HAYAH in Arabic 14 Jan 92 p 4

[Article by 'Umar Muhammad al-Hasan reporting from Khartoum, and Muhammad 'Allam reporting from Cairo]

[Text] Egyptian diplomats told AL-HAYAH yesterday in Cairo that Egypt does not interfere in other countries' affairs and respects their rights to sovereignty. The Egyptian diplomats described Egyptian-Sudanese relations as "everlasting and of a special nature, which requires that they be maintained within a framework of joint consultations between brothers, without feelings of one party looking down on the other." However, they charged Khartoum with disregarding Egyptian recommendations to eliminate Cairo's apprehensions regarding several aspects of Sudan's foreign policy.

These remarks by Egyptian diplomats came in response to statements made in Khartoum by Sudanese Foreign Minister 'Ali Ahmad Sahlul, in which he charged Egypt with interfering in his country's affairs. [These statements were] in reference to a statement made by his Egyptian counterpart, 'Amr Musa, last month, in which 'Amr Musa stated that Egypt is watching the situation in Sudan—during the visit by Iranian President Rafsanjani to Khartoum—and that "it would not accept any encroachment on the security of the region."

Sahlul stated: "These remarks, which are an offense to the truth, came at a time when the two countries are seeking ways to improve the eternal relations between them by calming emotions and containing media attacks. Sudan is fully committed to these efforts."

However, sources in Cairo told AL-HAYAH that efforts made recently to achieve a rapprochement between the two countries failed to achieve appreciable progress. AL-HAYAH has learned that Khartoum is disregarding recommendations that Cairo delivered to Sudanese Minister of State Dr. Mustafa 'Uthman Isma'il when he visited Egypt last October.

Studying at Khartoum University

The Council of Khartoum University Professors has decided to resume classes to supplement academic year 1990-1991 for students of the freshman and senior classes on 25 January 1992, and for the other classes on 8 February 1992. The council also decided to begin academic year 1991-1992 on 11 April 1992. Khartoum University was closed several months ago, following disturbances stemming from the arrest of a number of students.

Bulad on Television

In addition, state television broadcasted from Omdurman on Sunday evening a brief interview with Da'ud Yahya Bulad, the deputy commander of the Sudanese Popular Liberation Movement forces, which has been infiltrating into southern Darfur, and which the government has declared it will eliminate.

Bulad, who was a leader of the Islamic Current (the code name of members of the National Islamic Front among students), was interviewed in the city of [Qarsila], the capital of the Governorate of Wadi Salih in southern Darfur. Criminal investigations are currently underway there in preparation for Bulad's trial. Bulad, who appeared composed despite signs of strain, stated that "30,000 combatants moved with me from southern Sudan. About 1,000 of them died on the way, due to starvation and dehydration."

He added: "The other combatants regained their health and strength after arriving in Darfur."

PLO's Bal'awi Meets Tunisian Political Party Leader

*LD0203171692 Algiers Voice of Palestine in Arabic
1702 GMT 28 Feb 92*

[Text] Hasan Bal'awi, Fatah Central Committee member and PLO representative in Tunisia, today met with Chadli Neffati, the secretary general of the Constitutional Democratic Rally.

Discussions covered the developments of the intifadah and the conditions in the occupied Palestinian territory and the new developments pertaining to the peace efforts and their interactions on the Arab and internal fields.

The discussions also covered Arab-Arab relations and the need for activating those relations, the raising of the level of fraternity and solidarity and the joint Arab action for the realization of the aspirations of our Arab nation and facing up the fateful challenges facing it and the support of its causes foremost being the Palestinian question which is the central cause of the Arab nation.

Accord To Strengthen UMA Cooperation Signed

*92AF0422A Casablanca MAROC SOIR in French
1 Feb 92 p 5*

[Text] Rabat (MAP)—Strengthened cooperation among industrial firms in the Maghreb, intensified trade, the marketing of steel products in the Maghreb, and implementation of the accord reached by the central banks of the UMA [Arab Maghreb Union] states in order to encourage and reinforce economic complementarity and industrial development were the recommendations adopted by the High Maghreb Iron and Steel Council during its third session, which was held in Tunis from 24 to 26 January.

The participants in the work of that session, which was presided over by the general manager of Sonasir, Abdellah Souibri, also recommended that the Maghreb's specialized ministerial councils ensure the guaranteeing of financing among Maghreb establishments so as to prevent recourse to intermediaries and the international markets. In addition to encouraging barter as a means of trading in goods, the council reaffirmed that meetings and exchanges of information concerning regional markets and the prices being charged would continue.

According to the final communique, the participants also adopted two draft revisions of the council's bylaws,

approved the admission of five new Maghreb firms as members of the council, and recommended that the special committees put forth more effort to coordinate and strengthen cooperation among the various components of the council.

Last, the members unanimously reelected Souibri president of the High Maghreb Iron and Steel Council.

Inter-Arab Investments Up 55.1 Percent

*92AE0210A London AL-MAJALLAH in Arabic
14 Jan 92 p 69*

[Text] Cairo—Egypt ranked first among the Arab countries which received Arab capital and investments, with total investments of \$92 million, representing an increase of 18.3 million over last year. Saudi Arabia ranked second, with investments licensed in it totalling about \$80.8 million. The State of Bahrain comes next, with investments of about \$74.1 million, followed by Morocco, the United Arab Emirates [UAE], Tunisia, Algeria, Yemen, and finally Qatar.

Ma'mun Ibrahim, director of the Arab Institute for Investment Guarantee, said that Arab capital invested in the Arab countries this year was \$400.8 million versus \$258.5 million last year, representing an increase of 55.1 percent, which reflects the trend among Arab businessmen and investors to invest their money in the Arab countries.

Saudi investments in the Arab countries, he added, rank first, with a total of \$159 million divided among eight countries: Jordan, the UAE, Bahrain, Tunisia, Algeria, Qatar, Egypt, and Morocco. Kuwait investments rank second, with \$64.7 million divided among the UAE, Bahrain, Saudi Arabia, Egypt, and Morocco. Investments from Syria rank third, with a total of \$51.9 million divided among Jordan, the UAE, Tunisia, Saudi Arabia, Morocco, and Yemen. Investments received from Lebanon rank fourth, with about \$42.3 million divided among Jordan, the UAE, Bahrain, Saudi Arabia, Egypt, and Morocco.

He pointed out that the industrial sector ranked first, with Arab investments in this sector totalling about \$156.4 million, or 39 percent of total investments. The financial and banking sector ranks second, with total investments in this sector reaching about \$135.1 million, representing 33.7 percent of total investments. The commercial, contracting, and services sector ranks third, with Arab investments in this sector reaching about \$64.5 million, representing 16.1 of the total. This is followed by the tourist, real estate, agricultural, animal wealth, and fishing sectors.

Ma'mun Ibrahim said that Arab institutions have conducted feasibility studies on several projects in order to determine whether they can be established as joint projects, in which several parties from various Arab countries would contribute. There are 50 of these projects, whose estimated cost ranges from \$500,000 to \$452.9 million. They are distributed among various sectors, the industrial sector being the top. Projects offered for investment in this sector represent 74 percent of the total projects, followed by the agricultural sector with 24 percent, and the services sector with 2 percent.

These projects include: a project for the production of diesel engine pistons (estimated cost \$83.5 million); a project to study diesel and gas engine valve production (\$19.7 million); a starters and generators for diesel engines production project (\$63.8 million); a medium and heavy diesel engine project (\$425.9 million); a switchboard project in Egypt (\$40 million); a switchboard project in Algeria (\$40 million); a color television tube project (\$80 million); an electric insulator project (\$16 million); a medium-tension cables project (\$28.5 million); an electric transformer project (\$25 million); a steam boiler project (\$395 million); a thread and net for tire repair project (\$20 million); A PVC production project (\$24 million); an anhydride project (\$32 million); sheet glass production project in Morocco (\$129 million); the Arab countries' ceramics project for Iraq (\$115.40 million); the Arab countries' ceramics project for Algeria (\$115.40 million); a cotton yarn project in Sudan (\$136 million); a pesticide production project in Syria (\$28 million); a rolled iron project in Tunisia (\$35 million); and a graphite rod production project either in Saudi Arabia or Egypt. The Arab Organization for Industrialization [AOI] has prepared the final feasibility studies for these projects for submission to Arab investors and businessmen in order to finance them.

The AOI has also prepared feasibility studies for agricultural projects. These are: a grain and fodder production project in Syria (2.84 billion Syrian pounds); a grain and fodder production and animal husbandry project in Syria (15.799 million Syrian pounds); a fodder and dairy project in Mauritania (890 million Mauritanian ouguiyas); an industrial-agricultural complex project for the production of vegetable oil in Somalia (7.7 billion shillings); an agricultural complex project in Hums, Syria (603.6 million Syrian pounds); a meat production project in Sudan (89.8 million Sudanese pounds); a galvanized iron project in Egypt (\$120 million); a T.S.P. phosphate project in Syria (\$200 million); an ammonia production project in Syria (\$235 million); a freshwater fish project in Algeria (19.1 million Algerian dinars); a fish canning plant project in Somalia (115.9 billion Somali shillings); a joint Arab company for medicine production in Tunisia (\$22 million); an antibiotics project in Yemen (\$17 million); a packaging project in Bahrain or the UAE (\$28 million); a starch byproducts project (\$18.5 million); a [foya] fish project in Sudan (60 million Sudanese pounds); a fish farm project in Jordan (\$2 million); a project for the transfer of fish farm technology in Egypt (\$4 million); a project for the development and operation of al-Shu'aybah fish farm in Saudi Arabia (2 million Saudi riyals); a well-testing project in Egypt (\$5 million to \$6 million); a production project for laying hens (78.8 million Saudi riyals); a pesticide production project in Syria (\$28.5 million); an improved seed production project in Sudan (\$19 million); a vegetable seed production project in Sudan (\$3.9 million); a fodder production project in Sudan (\$61.6 million); a grain storage project in Sudan (\$34.9 million); a production project for drip and spray irrigation (\$116 million); and an unwelded pipes project in Iraq (\$300 million).

PALESTINIAN AFFAIRS

'Arafat Adviser on Peace Process Strategy

92AE0231B Jerusalem AL-MANAR in Arabic 6 Jan 92 p 5

[AL-MANAR interview with Basil 'Aql, PNC and PCC member and senior adviser to Palestinian delegation; place and date not given: "Arab Initiative Needed To Overcome Ordeal, PLO Epitome of Palestinian People"—first six paragraphs are AL-MANAR introduction]

[Text] Basil 'Aql is a Palestinian personality who has chosen to work silently and voluntarily to serve his people and defend their right and their cause in all international gatherings and on many platforms. His relations with many Palestinian, Arab, and international decisionmakers are strong. Always optimistic, he is striving for a strong Arab scene that supports the Palestinian position. Chairman Yasir 'Arafat chose him as his adviser. A member of 'Arafat's inner circle, he is proud of this relationship and of the trust that 'Arafat places in him.

The Palestinian leadership assigned Basil 'Aql, this Palestinian who is fighting in all areas—political, social, economic, and informational—to be senior adviser to the Palestinian negotiating delegation. Because of this position, he shuttles between one influential capital and another. Well-liked, he is never without a smile founded on confidence and ability, and based on optimism and hope that grows greater day by day.

Basil 'Aql, a child of Jaffa, is one of the struggling, distinguished sons of our people who move from place to place to defend their people and make peace prevail in the region. He is broadly read and knowledgeable, far sighted, correct in his ideas, sound in his analysis, and deeply able—a genuine militant. The PLO therefore chose him to be a central and principal member of the advisory body to the negotiating delegation.

AL-MANAR met with Basil 'Aql, who is Palestinian in outlook, identity, and aspirations. It met Basil 'Aql, a member of the Palestinian National Council [PNC] and the Palestinian Central Council [PCC], the first Palestinian to represent Palestine in the international organization [UN], and a member of the advisory body to the Palestinian negotiating delegation. Chairman 'Arafat has commissioned him, along with his colleagues, to formulate ideas about aspects of the current period. He is also a member of the steering committee of al-Ta'awun [cooperation], an organization that supports our people inside the country.

AL-MANAR talked with brother Basil 'Aql and asked him questions. He replied with depth, sincerity, realism, and logic. He is a veritable school of politics. His ideas and views put the Israeli position to shame, yet support a peaceful course. He spoke about all areas, conditions, changes, and trends.

About the peace process and Palestinian participation in the negotiations, Basil 'Aql spoke as follows.

[Aql] I have a series of comments on this essential subject that occupies the mind of every Palestinian and Arab. There are two schools: the first holds that there is no hope in negotiating with the Israeli side, because its objectives are well-known and clear; the second asks what harm can come from negotiating, given our knowledge of the goals, plans, and objectives of the Israeli opponent. Perhaps in negotiating there will be a new opportunity to unmask him and thereby embarrass his American ally, along with wagering on whatever international, American, or regional political developments may accompany or follow the negotiations.

[Aql] I am naturally for the principle of negotiating, for many reasons. The most important is that Israel is no figment of imagination. It is a reality. We deal with the bitter aspects of its existence many times a day. Its ally, the United States, is both opponent and umpire in this conflict. The Soviet ally has evaporated. This region of Asia is subject to developments and processes that may not be to our advantage, or they may be. The Arab-Israeli conflict, now many decades old, naturally will not be resolved in one round of negotiations, whether lasting ten days or several months. One must stress that one must not feel frustrated because the Washington round reached no results due to Israel's insistence on not dealing with a "separate" Palestinian delegation—I do not say independent, because we agreed in principle to go to the negotiations as part of a joint Palestinian-Jordanian delegation.

What Do We Lose From Participating?

The question is what we lose from participating in these negotiations, as long as we hold to the constants of Palestinian action, which in the final result (disregarding the transitional period) narrow down to the right to self-determination and independence. However, I would hasten to point out that Israel, in the negotiations, is betting on two basic phenomena, hoping to exploit them to frustrate the negotiations and halt the process of political settlement.

The first phenomenon is the fragmentation that prevails in the Arab body politic and that has affected the Palestinian side. Our Israeli opponent knows that an important and wealthy part of the Arab world is snubbing and criticizing us. Is it right for such a position to continue, with Israel seeing and exploiting it, at a time when the Palestinian people are working to shape their future and destiny? We need the support of all Arab brothers, regardless of the bitterness of the Gulf crisis. As long as the Arab nation does not stand with us in support, backing, and aid, Israel will never take account of us or the other Arab negotiating parties.

Why Do We Keep Brooding Over the Past?

Here I must point out that Western Europe, which consists of conflicting, mutually hostile republics not united by common history, language, heritage, or religion, has achieved its economic unity and now is on the verge of achieving its political unity.

As for the Arab nation, of which the Palestinian people are a part, it is united by language, history, religion, heritage,

interest, and destiny. Is it right for us, on the threshold of the 21st century, to keep brooding over the past?

Second Phenomenon: America's Economic Downturn

The second phenomenon, America's economic downturn, is no less serious than the first. It encourages Israel to exploit this in the hope that President Bush will not win a second term, or at worst, that he will win but will become a weak president with his administration, unable to put pressure on Israel or confront the Zionist pressure groups inside or outside Congress. This, too, is an Arab, rather than Palestinian, responsibility. We call attention to it now before it is too late, so that we become aware of Israel's activities and objectives. In my humble opinion, if the Bush-Baker duo falls, matters will return to square one, and we may wait many years before a new American administration comes that begins to pay attention to our cause in a world undergoing amazing developments, so that the Palestinian issue is no longer item one or even item five on the list of priorities.

I say this in full awareness of the thinking of many who expect no good from the Bush-Baker duo. I am merely saying that they are more serious, and perhaps more sincere, than the Reagan-Shultz duo.

Military Option Out, Balance of Forces Changed

[AL-MANAR] If you wanted to summarize the point of disagreement after the negotiations that have taken place, what would you say?

[Aql] I want to begin my answer to this important question by saying that some of us—and they are people I esteem, revere, and respect—think and sometimes talk as if our tanks were at the gates of Tel Aviv. Unfortunately, they forget that the military option for this nation is out at the present time, and that the political struggle is no less serious, important, and effective than the military struggle, if we master its rhythm and fully understand the changed balance of forces in today's world.

They Tried To Cancel Palestinian Political Effort

This preface was needed for me to say in response to the question that Israel deputed Binyamin Netanyahu a few days before the beginning of the Washington round to deprive the Palestinian political effort of the media gains it had achieved in Madrid. As soon as the "hall couch" negotiations began—that is what we came to call them—we discovered that Israel did not want the negotiations to take two tracks, a Palestinian-Israeli track and a Jordanian-Israeli track, because that would mean, from our point of view, a Palestinian identity, which is to say a Palestinian entity, which is to say a Palestinian state. Israel did not want all this to melt away and disappear in the formulas called "the war of texts" that we exchanged with the Israeli delegation. All of them were aimed at highlighting this Palestinian identity and personality and holding fast to it. In this regard, I can only praise the Jordanian position supporting and backing the principle of a separate Palestinian rejection.

Initiative Needed To Overcome Ordeal in Arab Arena

[AL-MANAR] What do you say about the Arab arena—the disagreements and clearing the air? Have these disagreements deepened?

[ʿAql] I cannot say they have deepened. Nothing in politics is permanent. I think what is needed is that an Arab party should take the initiative to overcome the ordeal we all have experienced. I single out, in particular, Cairo and its president, President Husni Mubarak, in cooperation with fraternal Syria, and its president Hafiz al-Asad, to play an active and effective role in restoring cohesion to the Arab body politic. What most saddens me in this regard is the expression that senior Arab officials sometimes repeat when they tell me, "Don't hurry. The matter must take its time and ripen. The solution comes afterward." I tell them, "We, the Palestinian people, are in a race with time. Time for us is a very valuable commodity. Israel is building settlements apace and pumping in Soviet immigrants to create new realities and perhaps will delay, year after year, in the negotiations until its settlement scheme is complete."

Plan To Keep PLO Out, But...

[AL-MANAR] Despite the continuation of the negotiations, do you think there is a plan to shut the PLO out completely?

[ʿAql] It would be naive of us to imagine that there is no plot to keep out the PLO. The plot basically was manufactured by Israel and marketed by America to placate Israel. If I were in the position of decisionmakers in Tel Aviv and Washington, I would not hesitate a moment to work to keep out the PLO, inasmuch as international, regional, and local considerations, unfortunately, urge it. What is strange is that most Americans and Westerners knowledgeable about the inner workings of Middle Eastern affairs generally believe that the PLO is simply a Palestinian organization with membership like the other Palestinian organizations.

They do not know that the PLO is the epitome of the Palestinian people—the national framework within which Palestinian hopes and goals fuse. How then can the PLO be kept out?

How often have many of them said to me, and how often have many of them accused me of being a PLO member! How often have I told them that the PLO is an identity, not a membership, and that the PLO does not issue membership cards!

Experts Envision Economy of Independent State

92AE0232A London AL-SHARQ AL-AWSAT in Arabic
31 Jan 92 p 14

[Article by Dr. Nabil Kawkali]

[Text] Palestinian economists agree that growth opportunities for an independent Palestinian economy, if current efforts to bring peace to the Middle East should succeed, lie in moving toward a free economic system, attracting Palestinian capital currently abroad, and receiving foreign aid, especially from Europe. Palestinian officials confirm

that there is a five-year plan prepared by experts at home and abroad for establishing a state structure. Those economists are trying to find answers to the questions now being asked in the occupied territories with the end of the third phase of the Arab-Israeli negotiations and the start of the multilateral talks in Moscow. They are: If a Palestinian state is established, will it have the basic economic elements? What is the nature of the economic relations that will emerge after the coming of peace?

The basic problem is the small scale of this economy. Many Palestinian economists, however, believe that it is possible to set up any economy, regardless of its size, as long as it is able to provide people with income. The government agencies' allocations would be proportional to the size of the economy. If a small economy wishes to survive, it must join the global economy.

The Palestinian economists believe that the Palestinian economy must integrate with the Arab economies, in order to contend with international economic blocs.

Jawid al-Ghusayn, President of the Palestine National Fund, confirms the necessity of pursuing a free economic system, in which the basic role would belong to institutions, to allow the investment of Palestinian capital and the establishment of projects inside Palestine. He pointed out that many of the Palestinian businessmen who started successful corporations and companies in Latin America, North America, the Arabian Gulf countries, and Europe have expressed their desire and intention to start large projects to share in the establishment of the Palestinian state's economic base.

He says that the gates of investment in Palestine will open to Arab capital to do its part in the journey of comprehensive economic development in the Palestinian state. Palestinian economic activity will be generally within the context of Arab economic activity, and Palestinians believe that Europe will take part in restoring the region economically. There is no reason for European capital to stay aloof from the region, the future Middle Eastern economic base. With regard to future economic relations with Israel, it is possible to establish normal peaceful relations between Israel on one hand, and the Arab countries, including the state of Palestine, on the other. This can be achieved if the need of all the states in the region—including Israel—for sufficient time to extricate themselves from existing internal strains, is taken into consideration. This would include those that will spring up as a result of the founding of the Palestinian state, and the need of these countries to adapt to the new reality. For his part, Abu al-'Ala, Chief of the Economic Office of the Palestine Liberation Organization, says that studies of the Palestinian people's economic and social elements have been prepared, and experts have been charged with preparing a five-year plan. This plan includes the establishment of a state—with its administrative, organizational, and political components—as well as preparing and training the needed work force and employing it in ministries, departments, councils, municipalities, and financial, social, and technological institutions. There is also a plan to correct the distortion caused by the occupation, and to

develop and exploit the capabilities of all existing economic and social sectors. There are arrangements to absorb manpower and the returnees, to reform conditions in the camps and the damaged communities and regions; arrangements to establish sound economic relations with the countries of the world; and a plan for the state's public budget, its own and foreign resources, and various aspects of spending. The plan also includes a large, fundamental role for the private sector and individual initiative in economic and social activity.

He points out that more than 90 experts and specialists inside and outside the occupied territories took part in preparing this comprehensive program, and that careful diagnosis of current Palestinian economic and social conditions had thrown light on flaws in the infrastructure. The program also examined initiatives made by the Palestinian private sector at home and abroad in various branches of the business sectors, the benefit from them, and the benefit from the expertise of Palestinian economic institutions abroad.

Proposal for Transition to Autonomy

92AE0246A Jerusalem AL-QUDS in Arabic
13 Jan 92 pp 6, 7

[Article by Ibrahim Matar: "The Powers and Responsibilities of an Interim, Autonomous Palestinian Government"]

[Text]

Introduction

Now that a decision has been made to resume the peace talks in Washington, it is assumed that the foremost subject of these talks, if they turn from procedural matters to substantive issues, will deal with the transfer of power during the proposed period of transition from the civilian occupation authorities in the occupied Palestinian areas to an autonomous Palestinian government. In addition, the talks will deal with the nature of this government's powers and responsibilities.

In light of that fact, I am proposing the following ideas and topics for discussion and deliberation. My purpose is to inform all Palestinians, engage them in the discussions, and give them the opportunity to express their points of view on substantive and crucial issues that have to do with their foreseeable future.

To put it very briefly, the interim autonomous government must assume all the functions of the civilian administration in the occupied Palestinian areas so that this transfer of powers and responsibilities would give the autonomous Palestinian government credibility and acceptability and enable it to exercise positive influence as it offers its services to Palestinians who are being targeted in East Jerusalem, in the West Bank, and in the Gaza Strip.

This process of transition from an Israeli occupation authority to a Palestinian authority should be simple and swift, if the other party's intentions are true. The process should be simple and swift if that party recognizes that the

Palestinians are on their land and in their home country, and if it stops its practices to destroy Palestine.

This process can be carried out in three steps.

The First Step

Members of the interim, autonomous government are to be elected in free and democratic elections, which should be monitored by UN representatives; by representatives from the United States and Russia, the sponsors of the peace conference; and by representatives from the European Community. These representatives are to monitor the elections and ascertain that they are being conducted freely without any interventions or threats that would affect the integrity and democratic character of that process. It is being proposed that one representative be elected for every 50,000 citizens in Gaza and the West Bank, including East Jerusalem.

The Second Step

The first task for elected members of the interim, autonomous government may be that of appointing Palestinian officials to manage the Palestinians' civil affairs.

At the present time, the various civil departments which deal with the Palestinians' daily issues are managed by the occupation authorities and controlled by Israeli officers. In many cases, most of the staff in these departments are Palestinians. That is why Palestinians who will be appointed by the Palestinian authority will have to replace those Israeli officers and officials as chiefs of the various departments.

The fields of activity and the names of the various departments, from 1 to 15, which will be taken over and managed by Palestinian officials are those listed below:

- The Health Department: hospitals, clinics, public health;
- The Agriculture Department: forests and natural resources, agricultural research, agricultural guidance, regulating agricultural exports and imports, veterinary medicine and animal resources, environmental protection;
- The Education Department: government schools, a testing and curriculum division;
- The Water Department: regulating the domestic, agricultural, and industrial use of water; regulating and licensing drilling artesian wells; technical assistance for the construction of reservoirs, dams, and water systems;
- The Interior Department: planning and licensing construction outside the borders of municipalities; regulating the activities of municipalities, rural councils, and rural affairs; issuing Palestinian identity cards, birth and death certificates, etc.; controlling use of government and public land; assuming responsibility for internal security and the police force;
- The Social Affairs Department: assisting the needy, the disabled, the old, and the handicapped; regulating the work of charitable associations, clubs, and youth affairs; preparing and offering training courses for special education;

- The Public Works Department: maintaining roads, bridges, and so forth; building roads and preparing invitations to bid;
- The Labor and Cooperatives Department: regulating labor affairs, assuming responsibility for vocational training, issuing registration certificates to cooperatives and regulating their activities;
- The Department of Industry and Trade: licensing new industries and regulating their activities, encouraging private sector investments, licensing commercial banks and financial institutions and regulating their activities;
- The Justice Department: assuming the responsibility of overseeing all the courts of first instance, all appellate courts, and all the courts of cassation, and so forth; reviewing and amending all the laws that have to do with citizens' lives; improving the work of the supreme court of justice;
- The Finance Department: collecting direct and indirect taxes, assuming the responsibility of disbursing funds and overseeing the general financial budgets of all departments, preparing the annual budget for the autonomous government, drawing financial assistance from abroad, tracking and monitoring land records and safeguarding citizens' rights, borrowing funds and assuming responsibility for the foreign debt;
- The Communications and Transportation Department: Registering and licensing vehicles, regulating and running the administration for telephone and facsimile machines and postal services, overseeing ports and airports;
- The Housing Department: preparing housing plans and programs, implementing the necessary housing projects, implementing [projects for] public buildings such as schools and hospitals;
- The Electricity and Energy Department: ascertaining that all citizens receive a supply of electrical energy; ascertaining that fuels and other sources of energy are received and supplied; safeguarding, discovering, and developing energy sources;
- The Tourism and Archaeology Department: encouraging and developing the tourism industry and attracting tourists to the country; Monitoring, protecting, and preserving existing antiquities; searching for new antiquities.

In addition to assuming responsibility for the 15 civil administrative departments, which are listed above and which will be dealing with the daily lives of Palestinian citizens, the Palestinian authority must assume responsibility for other tasks which are not carried out by the occupation authorities at the present time, such as those in the areas of economic development, the media, and higher education.

In this context, the autonomous Palestinian government should establish an economic planning department that shall be responsible for the preparation of development plans for the purpose of receiving development assistance. This department should also take the initiative in implementing those plans.

The Palestinian authority should establish its own media agencies. It should set up its own radio and television networks so it can deliver information to its citizens. The same principle applies to the Department of Higher Education. In addition, the three following departments should be added to the 15 departments, which will be turned over from the occupation authorities to the Palestinian authorities:

- The Planning Department: to prepare development plans and programs, to draw funds and appropriations from Arab and international financing institutions; to implement and oversee projects;
- The Media Department: to manage and run radio, television, and the various media agencies; to provide information about the performance of the autonomous government; to assume responsibility for cultural affairs;
- The Higher Education Department: to run the universities and the institutions of higher learning.

The Third Step

Furthermore, the Palestinian authority must assume full control over the movement of citizens and goods across the bridges that link the area geographically with Jordan. On the other hand, UN troops must have a presence on bridges and in ports and airports so that assurances about security matters can be provided for all parties concerned.

One basic condition has to be met so that a suitable, healthy climate can be provided for transferring the aforementioned powers: the expansion of Jewish settlements must be stopped. These settlements are illegal, their presence is unlawful, and they violate international law. These settlements must be stopped immediately, because the occupation authorities may not utilize natural resources to fulfill the purposes of their occupation and urbanization.

It must be made clear that a credible Palestinian authority cannot coexist with continuing operations that impose a Jewish character on the occupied areas. Nor can a credible Palestinian authority coexist with the construction of settlements in the occupied areas.

The available natural resources, particularly the land and water utilized by the settlements, are not created out of a vacuum.

Nor is it to be forgotten that the aforementioned three steps constitute the period of transition that will set the stage for starting the second phase, namely, that of establishing an independent Palestinian state which shall decide its future relationship with the state of Jordan.

Conflict in Interpretation of 'Transitional Period'

92AE0246B Jerusalem AL-QUDS in Arabic 13 Jan 92 p 7

[Article: "The Washington Talks: Palestinian, Israeli Priorities in Negotiations About Transitional Period"]

[Text] Informed sources in Israel affirmed yesterday, on the eve of the start of the new round of peace talks in Washington, that ideas about the transitional period in the occupied land that the Israeli delegation was bringing to

the talks constituted a retraction of the agreements on autonomy which were reached by Egypt and Israel in 1982. At the same time, other sources indicated that Israel will propose that the powers of the civilian administration "be transferred to the Palestinians gradually." If this news is true, it would be a new indicator affirming the nature of Israel's attitude toward the transitional period and showing that Israel is not willing to give this temporary settlement a real political dimension. If this news is true, it would also be an indicator of the difference of opinion which exists between Palestinians and Israelis regarding this settlement.

The two-track talks, the Palestinian-Israeli track and the Jordanian-Israeli track, are expected to follow the contacts to be held today between the chairman of the joint Jordanian-Palestinian delegation and the chairman of the Israeli delegation. This means that the talks will shift to substantive issues now that the procedural disputes, which have hitherto stalled progress, have been resolved.

The main difficulty, as the Palestinians see it, does not revolve around technical issues on how the powers are to be transferred, as much as it pertains to the bases upon which this process will be based. That includes the substance of these powers and the link between them and a scale of priorities that controls the steps taken by the Palestinians and those taken by the Israelis.

The subject of the settlements, which is the first one on the Palestinians' scale of priorities, is threatening the peace process as a whole. Israeli measures in the occupied territories represent another issue on the Palestinians' scale of priorities, which also includes establishing the principle of "a transitional period" as a precursor to an ultimate solution that is to be based on international law. Other priorities include the legislative terms of reference for the powers of the "autonomous government" and the matter of Jerusalem. All these matters are matters with substantive political implications, which negotiators cannot skip over to address the technical matters which have to do with the transfer of powers. Furthermore, the attitude toward the substance and applications of the autonomous powers involving the population and the land is important. Confining these powers to limited aspects of life that do not include land and water sources means that the interim settlement is being divested of its essential political context, and it means that the one-sided demographic changes in the occupied land will continue. That would be incompatible with the principles of the invitation extended to the various parties to attend the peace conference.

Israel's positions so far indicate that its understanding of the transitional period is one that involves a "self-government" whose powers are limited and do not extend to land and to water sources. Israel sees self-government, whose authorities have nothing to do with the settlements in the occupied land, as neither the precursor to an independent Palestinian state nor the means by which the Israeli occupation will be brought to an end. Instead, Israel sees this transitional period as a precursor to the firm establishment of what Israel has been proclaiming

unequivocally: a permanent settlement guaranteeing that Israel will keep the occupied lands.

The clear contradiction between the Palestinian and Israeli positions was confirmed yesterday by the news that was made public in Israel about "the gradual transfer of power" and about recanting the agreements with Egypt. This contradiction affirms that negotiations about substantive matters will not be easier than those which dealt with procedural matters. We believe that the direct bilateral talks alone cannot resolve this contradiction as long as Israel continues to insist on its position and as long as the two sponsors of the conference, especially the United States, continue to watch what is taking place without intervening in any effective way to bring about progress.

Nabulus Meeting on Lack of Town Administration

92AE0231A Jerusalem AL-NAHAR in Arabic
20 Jan 92 p 2

[Article by Husam al-Qadah: "Crowded Public Meeting Discusses City's Condition Without Municipal Council"]

[Text] Nabulus—Attended by dozens of representatives of nationalist, trade union, professional, and religious groups and organizations; various political orientations, clergy, and a large number of city figures and citizens, a meeting was held yesterday in the hall of the Society of Friends of al-Najah National University to discuss the problem that the municipality of Nabulus, the major institution within the city, remaining without a council and the negative consequences of this. The chairman of the meeting, Dr. Wa'il Abu-Salih, asked the audience to stand for a minute of mourning for those who had died as martyrs. Iyad Abu-Safi then recited verses from the Koran.

Trade unionist Ra'id Abu-Sabrah, secretary of the Union of Municipal Workers and Public Organization Employees, then rose and thanked those in attendance. He said that the meeting had been called to discuss a subject of concern to every citizen in this town, namely the conditions of employees of the municipality of Nabulus. The circumstances they had been experiencing for a number of years were adversely affecting the effectiveness of the services provided to citizens in all areas. "To preserve these achievements, it is our duty as a union to deliver the message to those who should hear it. We place before you an issue of utmost importance, hoping to leave this meeting with something pleasing to God and to our people." Since the mayors were dismissed in 1982, municipal employees had refused to deal with the existing authority. The result had been a complete halt to bonuses and to wage and pay scale increases for 60 percent of employees, who had been drawing salaries ranging from 30 to 80 Jordanian dinars throughout the past years of the strike, which had now lasted about four years. Furthermore, salaries for three months had accumulated for the public and national good, and salaries for another three months had also accumulated to date. The result had been a further deterioration of the poor living and social conditions of employees and their families. This had affected these employees' morale, and consequently, the performance of services. "Faced with this difficult situation, we

see in you those who are committed to the issues of your nation, just as we are those who are committed to mobilizing all available resources to remove much of the suffering of our workers and their families. On this basis, we place these matters before you. We trust you will do everything positive and constructive to solve this problem. We affirm to you that we, as employees in the municipal agencies, will carry out our mission to our citizens as fully as possible."

Shahir Sa'd, general secretary of the Federation of Workers' Unions in the West Bank, spoke next. He said: "As for responsibility for the municipality of Nablus, all organizations have to work to solve it by finding reasonable solutions. We are fully prepared to cooperate with the Union of Organizations and other organizations to solve the problem, especially since the department heads, employees, and workers have played a large part, for which they deserve thanks in the absence of a town council. The subject of workers in the municipality must be discussed, because all national institutions bear responsibility."

Husam Ya'ish, secretary of the municipality of Nablus, spoke next. He said: "Since 1988, the municipality of Nablus has suffered from a legal vacuum in the absence of decisionmakers. Some of the municipality's revenues have decreased and disappeared, because many citizens have fallen behind or been unable to pay their obligations to the municipality or because of the lack of outside aid. These things have prevented services from being offered in the ideal way. Nevertheless, the municipality has been operating basic services for citizens at the expense of the daily bread of municipal workers and employees. Despite these circumstances, municipal employees have continued to carry out their duties. Many of them have endured more than a human being can bear. The journey of dedication has continued, despite the difficulty of providing the needed projects to develop the city and develop the effectiveness of municipal service facilities. We know from our practical experience exactly what financial deficit the municipality of Nablus is suffering, a deficit that stands as an insuperable obstacle to full satisfaction of all the city's needs and payment of all the money owed to municipal employees. Nevertheless, the municipality's infrastructure and facilities have been preserved, so that its various agencies have been able to carry out their role under the darkest conditions within the limits of the resources available to them. The municipality, which today continues to carry out its responsibilities toward citizens, is governed by the municipalities law and a series of other ordinances and laws, whereby the legislator has placed power to execute the law, and the ordinances and laws emanating from it, in the hands of the mayor and municipal council members. We department heads are an executive apparatus; we possess none of these powers. Steering the work within the municipality has rested on the joint efforts of the department heads and on employees' understanding of the need to continue work no matter what the challenges.

"We did not grant sufficient security to citizens in fully collecting deposits of building fees due to absence of a local

regulating and building committee to exercise its duties of granting the necessary permits. We did not grant sufficient security to citizens within the new expansion, due to the absence of a local regulating and building committee to examine the planning of the new structural project and examine its regulations.

"We do not claim to have worked perfectly. All of us have exerted all the effort we can to protect this national institution. We have striven assiduously for it to continue to carry out its role. We municipal employees and workers have borne great burdens because of the failure of some citizens to pay their obligations owed to the municipality. The accumulated sums owed by these people now exceed 4 million shekels. This has led to late payment of the salaries of municipal employees and workers. Despite the increasing amount of suffering and mental pressure resulting from this, we will remain faithful workers to our institution, extending our hands to every sincere person to work together for the good of this town, its citizens, and those who work in the municipality. We will spare no effort, so that the municipality will continue to provide its services."

Next there was a discussion of the problem of the municipality's suffering and the absence of a municipal council to direct its affairs. A number of those present spoke. Lawyer Ghassan al-Shak'ah said: "I suggest that we decide on a number of persons to discuss these difficult subjects, and I also suggest that another meeting be held to listen to their ideas and proposals. The discussion should be completed within two weeks, for the good of the municipality is the good of each citizen, and this problem must be solved."

Shaykh Nu'man Mashayikh said: "The situation is more profound than we think, because the solution for us is that we need a change of spirit from within. We must change our spirits from the sicknesses of envy, for the nation is in need of change. We recently heard how the authorities agreed to hold elections in the Gaza Strip, but after all orientations there agreed to enter the elections, the authorities came back and refused to hold them. We need someone to direct the institutions, which must include or incorporate all orientations, without any problems occurring between us. The public good is more important than the private good. We need honest citizens to oversee our institutions. We do not need a worn-out traditional leadership. We reject any proposal that protects private interest."

Shaykh Jamal Mansur said: "There must be a discussion of the basic elements of the municipality's problem. We must have a complete and detailed idea of the nature of the municipality's situation. I say that in the first stage, a special body should be formed to monitor the municipality's situation and to present a clear report to be distributed to all those in attendance. What is needed is a special group to study the budgets and all the affairs of the municipality, then inform us of them. What limit, I ask, are the authorities giving us? In 1980, these authorities acted to extend the activity of the elected municipal councils, but in 1982 they came back and issued a decree

dismissing them from then on. I say that the appointment of any committee to manage municipal affairs involves great dangers. I demand the existence of a monitoring body to protect and implement the municipality's decisions, and therefore, to monitor its employees. Our people must be informed of everything that the municipality is suffering."

Dr. Hatim Abu-Gazalah spoke about the talks that took place recently between him and the Israeli authorities: "They made a number of suggestions, including the return of the municipal council elected in 1976, provided that a number of unelected members be added. However, my opinion was that the elected municipal council should return, with the addition of replacements for deceased members, provided that the latter come from among those who had run for election unsuccessfully. Since 1982, we have rejected the appointment of a new mayor following the dismissal of the municipal council."

ALGERIA

Brahimi on Iranian Ties, Chadli Resignation

92AF0397A Algiers EL MOUDJAHID in French
22 Jan 92 p 3

[Text] (APS)—The Algerian minister of foreign affairs, Lakhdar Brahimi, has ruled out "any possibility of a break in diplomatic relations between Algeria and Iran following the statements by certain Iranian officials concerning the situation in Algeria."

In an interview published by the Lebanese newspaper EL HAYAT, Brahimi said: "I do not think that the Islamic Republic of Iran can complain about Algeria's positions with respect to it. Algeria has made Iranian interests in the United States its own. At one point the Algerian ambassador to the United States spent more time working for Iran than for Algeria."

Brahimi announced that his ministry had been in direct contact with Iranian authorities following the statements made by a few Iranian officials about the situation in Algeria, adding that after President Chadli Bendjedid's resignation, Iranian statements had reached an inadmissible threshold. The Ministry of Foreign Affairs then contacted Iranian officials a second time to inform them that their position was inadmissible."

In that connection, the Algerian minister said that if Iran "does not back down and withdraw its statements, Algeria will be forced to recall its ambassador to Tehran and instruct the Iranian ambassador to return to his country to discuss the matter with its officials and not to return to his duties until the two countries reach a solution."

In response to a question relative to relations between Muslim fundamentalists in Algeria and countries such as Iran or Sudan, Lakhdar Brahimi said that it was "impossible" for him "to make a judgment or to comment on suppositions and rumors."

On the other hand, he said that "funds circulate among the fundamentalist movements in those countries," although because of the absence of proof, he did not mention the source of those funds.

Commenting on the situation in Algeria, the head of Algerian diplomacy pointed out that "President Bendjedid resigned after evaluating the data and determining that a continuation of the democratic process would involve threats to the country."

In Brahimi's opinion, President Bendjedid and other important figures realized that the elections would lead to a serious split in Algerian society, and as a consequence, his resignation was an attempt to safeguard the country's unity.

He also asserted that Chadli Bendjedid's resignation "was hardly intended to thwart the Islamic Salvation Front, but the decision was made for the purpose of avoiding developments that some people in the country have described as serious."

Brahimi noted that there was a "basic conflict" rather than a "difference of opinion" between "the daily fundamentalist talk to which we have been listening" and "the democratic march" of this 2 January.

He added that "what is certain is that the Army is concerned to refrain not only from every form of repression but also from any move likely to cause confusion and lead to the irreparable."

Brahimi nevertheless emphasized "the firm intention of the authorities and the Army to maintain security."

Concerning the choice of Boudiaf, which he described as "judicious," Brahimi emphasized that "no one" in Algeria doubts Boudiaf's patriotism and moral qualities.

Concerning the constitutionality of the new government, Brahimi pointed out that "the situation following President Chadli Bendjedid's resignation was exceptional. There was a constitutional vacuum, and that led the Constitutional Council to make a clear decision to the effect that certain institutions should take the necessary steps to ensure the continuity of the state. Those institutions, which are the government, the People's National Army, the Supreme Court, and the High Security Council, met and tried to reconcile the current situation with the constitutional state of affairs. That resulted in the decision to establish a High State Committee consisting of five members, all of whom are former militants and enjoy everyone's respect. That committee is presided over by one of the fathers of the Algerian Revolution."

Concerning reactions in the Arab countries, Brahimi said: "The Arab world is expressing its concern over the situation in Algeria, and we view that favorably because it is proof of esteem, respect, and fear for our fate." Brahimi added: "We would like to reassure our Arab brothers that Algeria is doing well and will be equal to the challenge."

Regarding the reactions in foreign countries, Brahimi noted that "there are two kinds of concern, one legitimate and the other tendentious. In conclusion, Brahimi said:

"Certain enemies are pleased to see us faced with problems and are afraid that we will overcome them."

Benouari Discusses Plan for 1992 Economic Recovery

92AF0397B Algiers EL MOUDJAHID in French
27 Jan 92 p 7

[First paragraph is EL MOUDJAHID introduction]

[Text] (APS)—Food supplies for the market and economic recovery continue to be a matter of concern for the government, which keeps repeating that the plan is capable of giving the country's development a fresh boost.

The economic recovery plan now being prepared by the government should make it possible to achieve the chosen objective of 5.2-percent growth in 1992 following three years of negative growth, according to a statement made by Ali Benouari, minister delegate for the Treasury, during an interview on Channel 3 yesterday.

The minister noted that with that goal in mind, the import program for the current fiscal year calls for favoring intermediate goods and equipment goods over consumer goods and foodstuffs.

Of the total planned amount of \$9 billion (compared to \$7.6 billion last year), \$3.25 billion will be used for imports of intermediate goods (semimanufactures and raw materials), compared to \$2.6 billion in 1991, while the budget for equipment goods (machinery and miscellaneous equipment) totals \$2.1 billion, compared to \$1.7 billion in 1991, according to Benouari.

He also said that imports of consumer goods (spare parts, medical equipment, and so on) would have a budget of \$1 billion, compared to \$680 million in 1991, while the budget for food imports would total \$1.9 billion, compared to \$1.7 billion during the preceding fiscal year.

The minister said that to finance that program, the government was counting on a "substantial" drop in debt service in 1992 thanks to the reorganization operations made possible by the financial agreements reached with Italy and the coming agreement with the international group of banks headed by the Lyons Credit Bank.

Algeria must pay about \$9 billion in 1992 (\$7.3 billion in principal and \$2 billion in interest) even though export earnings are expected to drop from \$12 billion in 1991 to some \$11 billion this year, according to Benouari. At another point, he emphasized: "We are emerging from the debt tunnel overall, but let us avoid excessive optimism, because our financial partners are awaiting the success of our reforms."

The authorities are also relying on "a better mobilization" of the governmental, multilateral, and banking lines of credit obtained by Algeria in recent years but not used up. According to Benouari, those lines of credit total some \$14 billion.

As far as the minister is concerned, the economic recovery plan, which reflects "a voluntarist political objective aimed at solving the unemployment problem," is also

aimed at giving a boost to socially important sectors such as construction. He said: "The housing industry will be a priority, and this is a matter of improving access to low-cost housing."

Benouari added that in the other sectors, efforts will be concentrated on the better use of industrial production capacity, the development of agriculture in the Sahara, basic infrastructures, industrial restructuring, and improvement of the administration's efficiency. Major construction projects such as the East-West freeway are being examined, particularly from the standpoint of financing.

Concerning the reorganization of financing in the enterprises, the minister said that that operation would "certainly" be completed by the deadline (the end of March 1992) in the case of "most" of those enterprises—the ones presenting "a viable accounting system and a recovery plan."

He pointed out that the enterprises would receive an injection of fresh money amounting to 42 billion dinars in 1992, compared to only 17 billion dinars in 1991. The minister also expects an "improvement in the liquidity of the economy" thanks to the use of foreign credit and the mobilization of domestic savings. The austere financial and budget policy will be continued because, he said, "this is not a recovery plan based on the creation of money." In answer to a question about Algeria's relations with international financial circles in view of the current political situation in the country, Benouari said he was "extremely optimistic—more optimistic than three weeks ago," because our foreign partners "are hoping that the country will regain its stability, which is what reassures them."

Imports Forecast for 1992 Discussed

92AF0419A Casablanca MAROC SOIR in French
29 Jan 92 p 7

[Article: "Algeria: Net Import Increase for 1992"]

[Text] The import program for 1992, a "realistic" program according to Algeria's minister delegate for the Treasury, stands at about \$9 billion compared to \$7.6 billion for the previous year, "a net increase" of about \$1.4 billion.

"We will take a number of steps to acquire the means to carry out this import program," said Treasury Minister Delegate Ali Benouari in a radio interview on Algeria's (French-language) Station III. The Algerian minister said these means would involve "external financial resources."

Algeria expects its exports, hydrocarbons included, to amount to about \$11.11 billion, which is a decline from 1991 (\$13.3 billion).

Parallel to this \$1-billion decline in export earnings, the Algerian minister expects "a diminution in debt service" on Algeria's external debt in 1992. Algerian officials expect the country's debt service for this year will amount to about \$7.3 billion in principal and \$2 billion in interest, for a total of \$9 billion. This corresponds to the level of imports for 1992.

"But we are rather optimistic, because of the refinancing deal with Italy and the [debt] reconfiguration we have undertaken with Credit Lyonnais," the minister said. "Our projections assume the Credit Lyonnais transaction and the Italian refinancing deal to be in force," Mr. Benouari said. These two measures should permit a "substantial diminution" in the debt service. Also, the Algerian Government intends to make "better utilization" of credit lines and take out a number of loans this year. Altogether, lines of credit made available to Algeria in 1992 by various parties (states, international, and regional financial institutions, banks) come to \$14 billion—as much as \$15 billion if new credit lines are taken into account.

The minister delegate for the Treasury believes that getting Algeria out of the vicious circle of debt will require a great deal of effort and many adjustments, to show the international financial community "our sincerity about reform." The structure of the import package shows the government is giving high priority to economic recovery and the productive sector. The import program puts emphasis on intermediate goods for economic activity and production plant (\$3.25 billion), capital goods (\$2.1 billion), industrial consumer goods and medical equipment (\$1 billion). Food imports will amount to \$1.9 billion.

EGYPT

'State Department' Report on Islamists Cited

92AF0391A Cairo AL-SHA'B in Arabic 7 Jan 92 p 4

[Article by Mahmud Bakri: "Alarm Engulfs America, West Following Salvation Front Win"]

[Text] Cairo—The Islamic Salvation Front's [FIS] resounding majority win in the first round of parliamentary elections has raised a state of alarm in American and Western circles. They are preparing studies and reports to contain and overthrow the FIS, spreading certain disinformation and misleading claims. Information indicates that the United States, France, and the Vatican have expressed great anger at these election results. Washington believes the FIS's win could lead to a three-way alliance in the region between Iran, Sudan, and Algeria, while France views it as a loss for French interests in North Africa.

In this context, the American State Department has prepared a study asserting that the FIS does not have a well-defined political outlook amenable to American dealing and mutual understanding. The study also assesses the FIS's political and economic program as closer to "racism" than one that gives people choices.

According to the study, the American State Department expects the impact of this danger to spread to all other neighboring Arab countries, warning that, in the event it does so, not only will American interests in the Mediterranean region be imperiled, but those in all other countries of the region.

The study claims that there are contacts between FIS leaders and Iranian and Sudanese officials, and that these contacts occurred during the last few months, resulting in

an Iranian-Algerian design, whereby a political and intellectual alliance between the two countries would be realized, seeking to drive out all Western power influence in the region, including that of the United States and Western countries, and entering into a sort of stage of direct conflict with these powers.

The American study says: "The Islamists' win in Algeria, although so far it appears to have had limited effect, will have a long-term impact on the structure of Algerian politics." It defined this impact in the following manner:

1. The Islamists are not satisfied with achieving their victories in the parliament, but are seeking direct control of the presidency and the government. The study expects this trend to succeed. It describes their movements as carefully organized and measured, and states that they do not allow infractions of discipline.

Suspicious Activities

In this regard, a report prepared by the American ambassador in Algeria revealed what it described as secret activities and contacts, which he personally conducted with a number of other Western ambassadors in Algeria during the last two months. The contacts also involved some Algerians hostile to the Islamic FIS. Three million dollars was allocated to counteract the Islamic FIS in an attempt to convince the Algerian people of the danger of FIS rule, which it described as "dictatorial." These elements alleged that if the FIS comes to power, Algeria will drown in a sea of blood.

The report confirmed that American elements were fully prepared to carry out an operation to eliminate the FIS's leadership directly, but the actions failed. The cohesiveness of the FIS and its elements was one reason they were unable to succeed, while another was that Algerians were convinced of FIS objectives. As a result, these activities had to be called off shortly before they were discovered.

2. The Islamists are preparing many and varied pieces of legislation that they want enacted by the Algerian parliament. This legislation will become the laws governing and dominating Algerian society.

The American study describes this legislation as similar to Iranian legislation and considers it to represent the greatest danger to any Arab political interaction with Algeria.

3. A major risk arising from the Islamists' win in Algeria is the spread of their influence directly to Tunisia and Morocco.

After stressing that the bases of government are stable in both countries, and that both enjoy excellent relations and ties with the United States, the study points out that Algerian Islamists are in direct contact with leaders of the religious movement in Tunisia, headed by Rached Ghanouchi. It says that these contacts are aimed at establishing religious rule in Tunisia. The study warns that if this goal is achieved, it will cause a series of religious disturbances in Morocco, which could have one of two results: either the fall of the royal regime of Morocco, or the Moroccan king's acquiescing to Algerian Islamic demands.

The American study emphasizes that, in both cases, American interests are threatened.

Islamists in Egypt

4. The spread of their influence will not just be into the three North African states, but into Egypt as well, within a few years.

The study alleges that Egypt will become the primary target of the Algerian, Tunisian, and Iranian Islamists, and that their plan is for the Islamists in Egypt to reach power within five years, or before the end of this century at most. This is an attempt to frighten the regime in Egypt about the outcome of the Algerian elections.

Alleged Alliance

Fifthly, the greatest danger confronting American interests is represented by the three-way alliance between Iran, Algeria, and Sudan.

The study alleges that this alliance will not be made public until a win for the Islamists is realized in Tunisia, Egypt, Morocco, and perhaps Libya.

Blatant American Intervention

As for Algeria, the study recommends strengthening Algerian President Chadli Bendjedid and offering to cooperate with him to overthrow the leadership of the Algerian movement in exchange for strengthening the army and convincing it not to allow the Islamists to join the Algerian army or hold any military posts in the army. The study demands that Islamist activity in Algeria be limited to civilians, not spread to the military.

In this regard, the information revealed that high-level Algerian-American contacts took place in the wake of the first round of the Algerian legislative elections, in which the United States raised the possibility of intervening to decide the situation in favor of the Algerian president and put down any sabotage activity—as the Americans termed it—that might be undertaken by the Islamists against the Algerian Government.

The information indicates that the Algerian president rejected the American offer. However, the same information confirms that Washington and its allies are continuing to exert their efforts to spark events in Algeria to keep the Islamists from coming to power.

Information Official on Foreign Affairs Issues

92AF0390A London AL-HAWADITH in Arabic 3 Jan 92 pp 29-30

[Interview with Dr. Mamduh al-Baltaji, chief of the Egyptian Information Office, by Usamah 'Ajjaj in Cairo, date not given: "We Call For Peaceful Solution Between Libya and America;" first paragraph is AL-HAWADITH introduction]

[Text] Many diverse issues were raised in AL-HAWADITH's interview with Dr. Mamduh al-Baltaji, chief of the Egyptian Information Office. These issues included preparations for the coming peace efforts, whether bilateral or multi-party discussions; the crisis over

America's charges against Libya concerning the incident of the aircraft explosion over Lockerbie; the issue of delaying the search to find an implementing formula for the Damascus Declaration; and possibilities of overcoming the negative effects of the Gulf crisis. Dr. al-Baltaji believes that this matter should be linked to a realistic review of the Arab situation, according to his reply to this question in the interview. The interview's text follows:

[‘Ajjaj] An outcry was raised over the form and definition of Egypt's role in the Madrid Peace Conference, as well as in the conference's other stages, both bilateral and multi-lateral discussions. In your opinion, what should be the form of Egypt's participation?

[Al-Baltaji] Without any Egyptian chauvinism, and without any Egyptian point of departure on political analysis, Egypt has a pivotal and central role in the peace issue in the Middle East. When I say pivotal, I mean that without Egypt there is no war, and without Egypt there is no peace. This statement does not come from considerations borrowed from political literature or national pride, as much as from facts and an historic role, a negotiating ability, and credibility in political and diplomatic action. In all stages of the Arab-Israeli conflict, Egypt has been the major Arab state to defend Arab rights and Arab solidarity in order to attain these rights. That has been an invariable since the conflict started and the object of many facts, incidents, and crises, which have proved that it is invariable and correct. We say now that holding the peace conference is the result of peace-loving efforts and forces, most prominently the policy and diplomacy of Egypt. There is an Arab peace front that demands the application of international law by implementing Security Council Resolutions 242 and 338, which is basically the principle of land for peace. Arab and international forces share in this movement. The first stage of the Madrid Peace Conference is over. The conference was truly held within an international formula. It was attended by the Arab parties, the UN, the two sponsoring powers—America and the Soviet Union—representatives from the EC, and other observers. This stage achieved real Arab gains, represented by: the correctness of the Arab political message; objective coordination among the Arab parties toward the goals themselves; and a real gain on the public opinion level, as to the serious, peaceful direction of the Arab parties. In this context, Egypt was present. Its political message was the object of everyone's respect.

[‘Ajjaj] But do you think there is an Egyptian role in the bilateral discussions?

[Al-Baltaji] Certainly, the nature of the Arab-Israeli conflict is complex and intertwined but, in the bilateral discussions, it is necessary that the debate be about disputed issues. There is no notion or idea that a party other than Syria and Israel, which occupies a part of the Golan Heights and which is destined to evacuate them with the application of UN resolutions, should participate in the discussions about Golan. The same applies to other bilateral matters, whether in south Lebanon, to which Resolution 425 pertains, or with regard to the West Bank and Gaza Strip. There is a Palestinian delegation and another

Jordanian delegation that will discuss this matter with Israel. At this stage, Egypt does not have a problem on the bilateral level with discussions with Israel, since we have regained all our occupied territories. Egypt has signed a peace treaty with Israel; there is no bilateral issue to discuss with them. Nevertheless, politically and diplomatically, and with the experience gained from negotiations with the Israelis on all these levels, Egypt has placed its resources and expertise at the disposal of the Arab negotiator. By virtue of the fact that it is an acceptable party to all sides, Egypt is prepared to expend efforts to bring together points of view. Undoubtedly, the Egyptian political initiative has not, and will not, cease. The best evidence of that is President Husni Mubarak's visit to Damascus, where the issue of preparing for the phases of peace was the principal topic of conversation between Presidents Mubarak and al-Asad.

[Ajjaj] It seems that Egyptian participation in the multilateral discussions should be most effective, especially in light of the proposed issues with which Egypt and the region are concerned. What are your thoughts concerning the form of participation?

[Al-Baltaji] So far, there has been no call to begin multilateral discussions, but there is something to cheer about. Bilateral negotiations will begin before multilateral negotiations, because achieving progress in bilateral negotiations can, in itself, establish a political, or rather, a psychological climate that would allow multilateral negotiations to be successful. In all cases, Egypt is concerned with the results of bilateral negotiations, as well as with the need to apply the principle of land for peace. In this regard, Egypt is also concerned with multilateral negotiations, and will take part in them as a way to permit the attainment of positive results that will achieve Arab rights, security, and stability in the region; bolster the opportunity for a just, comprehensive peace; and create a climate to allow cooperation and avoid the abyss of possible tension, so that the energies of the nations and peoples of the region can be devoted to growth efforts.

[Ajjaj] You were a part of the Egyptian delegation that visited Damascus, led by President Mubarak. Do you think that the goal of the visit was to urge Syria to enter into bilateral negotiations? Is there any truth to the rumors that there is disparity between the Egyptian and Syrian positions concerning Damascus' price for participation in the next two peace stages?

[Al-Baltaji] We have made no effort to urge any party to do something that displeases it. That is not the business of Egypt's fixed national policy. I don't agree with the rumors that Syria had reservations about participating in those negotiations. However, there was Syria's demand, not reservation, for the success of bilateral discussions. As an example, there is the issue of continuing bilateral negotiations in an established place, and the issue of expanding these negotiations to fundamental questions, not just confining them to formal or procedural matters. All of that is a justifiable demand, so there are no Arab differences on

this. I don't think that the Arab parties that agreed to attend the negotiations want to restrict the conference to procedural questions.

[Ajjaj] In light of the continuing efforts to attain a solution to the Arab-Israeli conflict, do you think there is a chance for these efforts to succeed this time?

[Al-Baltaji] These issues are extremely complex, with ancient roots about which there is nothing certain or objective. There are no well-defined factors about the outcome of these negotiations. In my personal opinion, the start of the negotiating process is, in itself, positive progress. Shifting from one situation to another makes more progress toward the solution. Before Madrid, there was the continuing Israeli occupation of Arab territory, the continuing Israeli oppression of the Palestinian people under occupation, and the continuing and increasing of settlements. Madrid came to break up this situation, to start the long and difficult efforts for demanding Arab rights. In my view, the final result of the negotiations will be a broad, objective pledge with regard to the considerations. Perhaps the most important aspects are the logical Arab political message, coordination among the Arab parties, and the broad recognition of Arab rights by world public opinion, along with the need to implement the principle of land for peace.

[Ajjaj] How do we read the Egyptian position on America's recent charges against Libya, particularly in light of the good relations with the two parties to that crisis?

[Al-Baltaji] The Egyptian position has several components, or invariable principles, in this regard. First, we are a nation that believes in dialogue and in peaceful solutions to all forms of disputes. Secondly, we are an Arab nation that is concerned with the interests of other Arab nations, and our bilateral relations with Libya underwent a positive development in the recent past. Thirdly, we are in fact a nation that deplores terrorism and rejects its mindset. It does not serve any interest and is incompatible with the language of the present era. From all these invariables in the Egyptian position, we try to avoid military clashes and reach peaceful solutions that will—simultaneously—protect and maintain Libyan interests, repudiate terrorism, and eliminate any possibilities of terrorism.

[Ajjaj] In light of the results of the recent meetings in Cairo of the Damascus Declaration's foreign ministers, and the lack of implementation of the declaration's provisions, do you think the delay in considering the agreement will end its validity?

[Al-Baltaji] I don't think that this delay means an end to it. This issue is linked to the free will of all the Gulf states, and both Egypt and Syria. The Damascus Declaration was not imposed on anyone, whereas there was consensus on it among the eight nations. Continuing to meet regarding the search for an implementing mechanism and the mode of application, was also not imposed on anyone. Ultimately, the Egyptian direction in this issue is based on the fact that Egypt is committed to its historic responsibilities to protect Arab security as a whole, and the security of the Gulf, in particular. The recent bitter experience has proven the

credibility and importance of this role. At the same time, on the basis of this position, as well as the Arab Mutual Defense Pact, Egypt is prepared to exercise its responsibilities, when that is requested and if Egypt believes the matter necessitates it.

[Ajjaj] Don't you think that the time has come to try to overcome the negative effects of the Gulf crisis and its repercussions on the Arab situation, especially in light of the current challenges that the Arab world is facing?

[Al-Baltaji] I believe the issue of overcoming the Gulf crisis requires more time, because the damage done by that unfortunate Iraqi military adventure still has profound effects on various levels. For its part, Egypt is working to clear the Arab air, but on the basis of a clear and correct direction for itself and others. Egypt does not believe in those superficial ideas that do not reach to the root of problems, which are represented in the principle that God will forgive the past and be done with it, without learning the true lessons. Why? Because continuing the situation will make those tragedies repeatable. On the other hand, there are continuing and new challenges for the Arab world as a whole, and those challenges are imposing a minimum obligation for coordination: for example, the issue of peace in the Middle East. The negotiated peaceful solution to the Arab-Israeli dispute is a fundamental issue, requiring a degree of coordination among the Arab parties. For its part, Egypt will not hesitate to carry out its role to attain the ability necessary to coordinate positions on this.

[Ajjaj] How does Egypt see the election of Dr. Butrus Ghali as UN secretary general? Do you think that this choice will be effective for the UN's position, which is now regaining its role?

[Al-Baltaji] The fact is that Dr. Butrus Ghali's election constitutes an international political event on the highest level of importance for Egypt and the Arab world, and for Africa and countries of the Third World in general. This is the first time that a man has occupied that post who is an Egyptian, an Arab, and an African belonging to the Third World, aside from his distinguished expertise and capabilities. His credentials are excellent as an academician, journalist, politician, and diplomat. Apart from that, it is certain that the historic stage in which we are now living, and which accompanies the rise of Dr. Ghali to this high post, will be marked by the increasing importance of the UN's role in international life in general, and—at the same time—by the worsening of conditions in the Third World, which will be thrust upon the international community in all cases. From this point of departure, there is no doubt that the international unanimity for Dr. Ghali's election, reflected in the results of the voting, does express—in my opinion—general awareness of how important it is for a man with these qualifications to occupy the post of secretary general at precisely this stage. Perhaps I should add that the choice of Dr. Butrus Ghali certainly reflects—at the same time—the international community's appreciation of Egypt and its policies, leadership, and role in fashioning peace and stability in the world. Moreover, it

also demonstrates the fact that Egypt is capable of giving and selecting this distinguished special quality of man and leadership.

Pope Shanudah on Coptic-Muslim Coexistence

92AF0394A Cairo AKHIR SA'AH in Arabic 8 Jan 92 p 8

[Interview with Pope Shanudah by Ra'fit Butrus; date and place not given; "Fraternity Between Muslims, Copts in Egypt Is Reality"]

[Excerpts] When Pope Shanudah III talks, a person can easily see that he is in the presence of a knowledgeable and broad-minded personality and a flexible scholar who draws everyone to him. The man possesses the talent of uncomplicated intellect and boundless simplicity. He puts forth a principle whose essence is that confidence begets confidence and fear begets fear. He believes that when a human being gives, he receives in return, and he gives, so shall he receive.

His Holiness Pope Shanudah talks to AKHIR SA'AH about peace, love, and the new year. He talks about the manifestations of fraternity and love between Muslims and Copts in Egypt. He emphasizes that Egypt is the land of national unity, and how the inhabitants of Egypt are a religious people. Egypt has been visited by many prophets and, therefore, God's promise in the Holy Bible, "blessed are the two peoples of Egypt," has been fulfilled.

He calls on the people to practice a kind of Sufism as a solitude with God and to practice a kind of selfless life far removed from lust and personal gain. [passage omitted]

[Pope Shanudah] Egypt has lived, is living, and will always live amid an established fact that can never change under any circumstances. This fact is full and total fraternity between the Muslims and Christians, the Copts. It is a fact we are living and sensing to the fullest.

If we go back in history, we find that when Islam came to Egypt, the Copts' pope and patriarch had been in exile far from his seat for many long years. 'Amr Ibn-al-'As called him back and turned over to him the churches after expelling the Romans. He returned to him his powers, restored his status, and honored him. The relationship between them was full of affection and friendship. This conduct by a Muslim leader was a marvelous beginning between the Muslims and Christians.

History also tells us about the safety pledges made to non-Muslims, which allowed them to build and take care of their churches and monasteries, as well as their properties. There is also the Prophetic tradition that says, "he who harms a non-Muslim harms me," and "Be good to the Copts because we have relatives and kin among them." Perhaps what is intended by this is Mary the Copt and her son, Ibrahim.

One example of fraternity is when Caliph 'Umar Ibn-al-Khattab entered Jerusalem, the bishop there invited him to enter the church during prayers, but 'Umar declined, saying "lest the Muslims come and take it from you, saying this is 'Umar's mosque." He preferred to kneel

down and worship a short distance outside the church where he built the 'Umar Mosque next to the Church of the Resurrection.

One practical manifestation of fraternity between Muslims and Christians—and the Copts—is the Muslim rulers' keen desire to preserve Coptic religious law in compliance with the holy verse "There is no compulsion in religion" and "If non-Muslims come to you, judge them according to their religion."

The most wonderful portrait of fraternity is the verse in the al-'Umran Sura, [chapter of the Koran] which says: "of the people of the scripture, there is a staunch community who recite the revelations of Allah in the night season, falling prostrate before him. They believe in Allah and the Last Day and enjoin right conduct and forbid indecency, and vie one with another in good works. They are of the righteous." [Koran 3:113-114]

History also tells us about the Copts' position toward the crusades. They joined their Muslim brothers in Egypt to fight the crusaders, who had no right to attack our country.

Modern history tells us about the strong relationship between Muslims and Christians during the 1919 revolution, and when they confronted the brutal foreign occupier, raising banners carrying the crescent alongside a cross and the phrase: "God and country for all."

One exquisite manifestation of fraternity is the many Muslim rulers who used to celebrate the Coptic Epiphany. It was reported that Muhammad Bin-Taghaj al-Akhshidi used to celebrate this religious holiday on an island in the Nile where his followers used to light 1,000 lamps around him.

National Unity

[Butrus] Your Holiness, if these are examples of fraternity between the Muslims and the Christians, what is the significance of national unity in Egypt?

[Pope Shanudah] National unity in Egypt is an established fact that cannot be measured. It is a true and established fact. Egypt rises above all else because its interest is everyone's interest, and we have to do everything we can for its safety, security, unity, and prosperity. We must unite in heart, soul, and body for the sake of Egypt, and, to the extent possible, we must be of one mind through mutual understanding and dialogue. If only everyone would cooperate in all public services to preserve our country and its tranquility. Love can take care of all matters and problems, so let there be love in all our dealings, because love builds and hatred destroys.

[Butrus] Does return to, and compliance with, religious teachings constitute the bulwark of a life of love and peaceful coexistence?

[Pope Shanudah] The Egyptian people are a religious people, because Egypt is the land of religions. The Muslims in it are religious and the Christians in it are religious. Places of worship in it are filled with worshippers. This religiosity and these sentiments have been inherited from

the pharonic forefathers. Pharonic Egypt was highly religious, hence their blessed and successful life in all the various fields. The pharaohs believe in resurrection and reincarnation, and they also believe in worldly things and in reward and punishment. That is why they built the pyramids as a fortified burial place where they preserved the pharaoh's body so that the soul may return to it to revive it along with his followers and friends. That is why they excelled in mummification to preserve the bodies waiting for the soul to return.

When Christianity came to Egypt, the church occupied a great position in the Christian world. The Alexandria religious library was as famous as the Alexandria philosophical library in the era before Christ.

When Islam came to Egypt, Egypt gained great fame, and al-Azhar Mosque was, and still is, an authority on Islamic religious sciences. Egypt became famous for its Islamic leadership and its many venerable scholars.

And let us not forget that Egypt has been visited by many prophets: Abraham, the father of fathers, and the prophets; as well as Yusuf al-Siddiq and the 12 grandsons. Moreover, Moses the Prophet was born here.

Finally, it was visited by Jesus and his mother, Mary, and also by Joseph the carpenter. All this and more underscore the fact that Egypt is the land of religion, where God's promise in the Bible, "blessed be the two peoples of Egypt," has been fulfilled.

All this and more leads us to affirm the idea of going back to religion, even if we have strayed or have been compelled to stray from its course. The greatest and most marvelous example is Russia's return to religion after a ban of 70 years or more. Churches, which had been turned into museums for people to view, have been reopened. They have now been reopened for people to enter—not to view, but to pray, worship, bow, and submit to the Great Creator. It is a return to what is right. [passage omitted]

Information Secretary on Coptic Equality

92AF0394B Cairo ROSE AL-YUSUF in Arabic 6 Jan 92
pp 6-9

[Article by 'Abdallah Kamal: "Dr. Mustafa al-Fiqi Debates Serious Issue: Political Equality for Copts; 'Abdallah Kamal Followed the Symposium"]

[Text] Are fiery speeches, kisses, and embraces enough to grapple with the sectarian strife Egypt witnesses now and then? Or does this issue call for other efficacious solutions and amendments to certain laws?

Must we accede to the demands of some Coptic brothers to achieve political equality, or is this impossible and is legal equality enough?

This is the issue Dr. Mustafa al-Fiqi, the president's information and follow-up secretary, tackled in the Ihsan 'Abd-al-Qaddus parlor at the ROSE AL-YUSUF Organization.

He discussed it with courage, valor, and objectivity, and this is what he said:

"Sectarian strife is one of the sensational topics of this age, not only in Third World countries, but also in the advanced world, because it is linked to what might be called 'the minority issue,' about which I am talking here in the numerical sense, because the Copts in Egypt are a minority in number only. This is not to say they are different from other Egyptians in origin, roots, or appearance.

"Religious minorities, in particular, are the most sensational topic, because it involves faith, a non-negotiable issue, and controversy over it is uncivilized because it pertains to freedom of belief and thought.

"By and large, religious minorities lack a sense of security stemming from the sense that they are a minority facing a majority, even in the absence of problems. Minorities usually cannot overcome their anxiety, save for individual cases who are able to cope with public life, like [Fikri] Makram 'Ubayd, who was not satisfied with a limited sectarian role, and stepped up to express a general popular will. He was secretary general of a majority party, the Wafd Party, for over 15 years.

"One characteristic of minorities is their desire to avoid public life. For the most part, they prefer to go into individual business ventures, but the prevailing democratic climate draws them to public life, as was the case during the 1919 revolution. Another characteristic that sets the minorities apart is that they always arm themselves with qualifications and good performance, since they have nothing to lose.

"This is a trait we always observe in countries such as India, where the Muslim minority stands out. Whereas an ordinary citizen starts out from zero, a minority citizen has to start out from below zero to face certain social and ideological tendencies.

"Likewise, another characteristic of minorities is passivity, in the sense that they shy away from problematic issues, due to their sense that the balance of justice is tilted. I am speaking here in general, and do not mean Egypt.

Attachment to Land

"To be honest, the Copts are a minority strongly attached to the land. This is indisputable. It is a bond that has given them remarkable roles in history, which underscores their affiliation to political public life and their defense of national issues throughout the ages.

"The Copts have had to face some hard tests in this domain. For example, we have not heard about a general Coptic tendency backing the foreign invader during the Crusades. During the French campaign, there was no discernible tendency, save for General Jacob, who trained some Copts to deal with the French, but he was turned down and stripped of all possible benedictions the Egyptian patriarch could bestow upon him.

"Thus, the Copts in Egypt are a minority in number only. They cannot be distinguished from Muslims, except for their names. Even Lord Cromer once said: 'I did not see in

Egypt Copts and Muslims. What I saw were Egyptians, some of whom went to mosques and some to churches.'

"There are no severe sectarian problems that can cause disagreements among Egyptians. There are no disagreements or two histories. In India, for example, the Hindus cannot forget five centuries of Muslim Mogul rule that dominated the Indian Empire and changed its features, whereas there is no conflict of interests in Egypt. That is why strife in Egypt occurs for trivial reasons, nurtured by other things.

Tranquilizers

"We often deal with strife in Egypt by an oratorical celebration, upon which a Muslim shaykh kisses a Christian priest and that is that, thereby dealing with some fleeting incidents rather than the problem.

"Islam bestowed upon non-Muslims—Christians to be exact—a special status, but this has not been properly applied in the history of Islam. For example, the Fatimid state witnessed different periods of closeness to, and alienation from, non-Muslims, which led to conflicts that can be felt to this day. This is not tolerated by Islam, but by the states that ruled and the rulers who did not understand Islam. We know that rivalry between the Fatimid state and the Abbasid state prompted it to levy more taxes, and to put great pressure on the Copts, hence the well-known disturbances at that time. In the Ottoman state, there was a power that was new to Islam. It was an example of an empire based on a superficial religious basis. I believe that all minority problems flourished during Ottoman rule.

"Al-Azhar had very good relations with the Copts. We have some Christians who studied at al-Azhar and graduated from there. Moreover, history has many instances of social interaction between Muslims and Copts. The Muslims appreciate the Copts and say in their homes: 'This is a good and trustworthy Copt.'

Look for Pressures

"The reasons for sectarian strife are varied. First, there is the nature of economic and political pressures. In cases where there is a political vacuum, sectarian problems come to light. In the absence of a general cause, conflicts of religious affiliation crop up. The inhabitants of Qina chose Makram 'Ubayd and brought down the Ashraf candidate in the twenties, not because 'Ubayd was a Copt, but because he was a Wafdist, thus disavowing religious reasons in the presence of a general cause.

"After 1952, the revolution's accomplishments notwithstanding, a kind of introversion by the minority and majority occurred. 'Abd-al-Nasir adopted the logic of dominion to realize certain ideas. Because of this introversion, we were compelled, for the first time in history, to reinstate the Copts in parliament in the wake of a stage of political non-participation.

"When the 1923 constitution was drafted, some parliamentary seats were set aside for the Coptic minority, who viewed this as demeaning. 'Abd-al-Nasir, however, replaced political participation with personal might.

"Despite this problem, we did not perceive sectarian problems of any import during the sixties. The reason is that 'Abd-al-Nasir governed with a national, rather than a religious, logic, and minorities become highly concerned when the rule takes on a religious coloration.

"Then came Anwar al-Sadat, who pledged to back certain Islamic tendencies in their confrontation with well-known Nasrist trends. He did that consciously or subconsciously, but we began to witness some disturbances that broke out in certain places, but managed to jog the sensibilities of all citizens in all directions.

"Strife is an outlet for economic pressures caused by the nature of education and curricula in the schools. Schools are no longer concerned with demonstrating religious tolerance. When we were in school, we did not know the religion of our schoolmates unless they celebrated a certain feast or holiday.

"There is also education at home. We did not bother to teach our children that different religions are like different clothes, a kind of differentiation, but not a reason for rivalry or conflict."

Three Solutions

"Various countries have adopted several methods to solve sectarian problems. The first is the religious distributive solution, as was the case in Lebanon, when the 1943 constitution satisfied all parties at the expense of national interest. It is a solution that distributes seats and acknowledges strife without dealing with it. Sixteen years of war in Lebanon have demonstrated that it is not a modern-day solution.

"It may be appropriate to go back to the solution in the religious sense, to turn to divine laws, with the tolerance they entail, to remedy the problems. But it is not the proper climate for that, because it requires much tolerance. On the contrary, the majority is required to take care of the minority by granting it extra privileges as a form of political magnanimity.

"This solution calls for much understanding, a different kind of advocate on both sides, and widespread tolerance among the people.

"There is also the democratic secular solution, as in India, where Indians are proud of the fact that a minority has offered up three chiefs of state. This solution, however, is not perfect, for can the Indians appoint a Muslim as prime minister, the true power in the country?"

"We must differentiate here between legal equality and political equality, for minorities can claim the former, which is a right, but cannot claim the latter for the following reasons:

"The United States, the greatest Western democracy, cannot offer up a Jewish president, and neither can Great Britain, because political representation is numerical by nature. We must debate this point with courage, because this matter precludes a Copt from becoming prime minister, since democracy is numerical representation.

"Accordingly, non-Muslim brothers must not take offense at being denied certain leading positions in countries where they are not a majority, because the same is true of Muslims and others in countries where they are a minority.

"In private gatherings, the topic of conversation is the Copts' complaints about matters of political participation and the building of places of worship. These matters are not resolved by conventional means, and are linked to two things: the need to reexamine all laws regulating freedom of worship in Egypt, and the need for the Coptic brothers to concede that political equality does not exist and to demand legal equality and political participation.

"There is also a need to consider the methods of education and upbringing followed by both religions, because there are apprehensions and fanaticism on both sides. The kind of unconventional solution between a distributive solution and a secular solution is a true understanding of the spirit of religions. Egypt has unparalleled and deep-rooted traditions for tolerance.

"The problem we are facing is the kind of machinations that lead to sectarian missteps. The solution must begin with the education and upbringing of children of both religions early on in life."

Debates

During the debates that followed Dr. Mustafa al-Fiqi's address to the symposium, he also said:

"We do not have a problem of sectarian strife, but rather manifestations of a problem, because there are no deep-rooted reasons in history for disagreement. On the contrary, Egypt has a rare case of mutual understanding.

"In recent years, the ruler has exercised the kind of good-heartedness large enough to accommodate the majority and the Copts. He opened the bridges of direct communications with both of them on an equal basis. The government turns to any outstanding Copt in any department to the same extent it does to a Muslim. When Butrus Ghali was elected UN Secretary General, I saw with my eyes ordinary Muslims rejoicing.

"Copts in Egypt are safer from fanaticism than Muslims, at least in facing fanaticism. There is a difference in belief but not in thinking, and fanaticism on both sides is harmful and highly dangerous to Muslims and Copts.

"It is true that we are still following the imperialist line, but from where I stand, I maintain that no request to restore or maintain a church has been refused, and His Holiness the Pope knows that the Egyptian Ministry of the Interior has clear instructions in this regard.

"Political participation for the Copts is more certain than before. Was not an author like Prof. Musa Sabri close to the political decision-making process during the regimes of President al-Sadat and President Mubarak? Was not Dr. Butrus Ghali, before his election as UN Secretary General, one of the pillars of Egyptian foreign policy? There is nothing that excludes the Copts from the political decision-making process."

Former Prime Minister on Arab Economic Policy
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pp 36-37

[Interview with former Egyptian Prime Minister Dr. 'Ali Lutfi by Mahmud Salim in Cairo, date not given: "League Must Propose Formula for Arab Economic Integration;" first three paragraphs AL-HAWADITH introduction]

[Text] The Arab region is experiencing political and economic developments of considerable importance these days.

On the political side, there are the peace negotiations to resolve the Palestinian question, and the profound effects that could result from them. On the economic front, the Arab region will be influenced by international economic changes, whether pertaining to the unification of Europe, the changes that have occurred in the Soviet Union and Eastern Europe, or the economic blocs in several areas of the world.

AL-HAWADITH met with former Egyptian Prime Minister Dr. 'Ali Lutfi, whose interview deals with his views regarding current Arab-Egyptian relations. He also discussed the obstacles that the Egyptian economy faces in the new world order, and how to establish true Arab economic cooperation.

[Salim] How do you see current Arab-Egyptian relations?

[Lutfi] After Egypt signed the peace treaty with Israel in 1979, the Arab states adopted several measures against Egypt, including the severing of diplomatic relations and the transfer of the Arab League from Cairo to Tunis. Despite that, relations were not severed between the Egyptian and Arab peoples. On the other hand, two years after the peace treaty was signed, President Husni Mubarak came to power and, from the first minute, began to improve relations between Egypt and the Arab nations, until these nations realized that Egypt had been right, and then a decision was made to restore relations with Egypt. There is no doubt that the Arab nations' agreement to attend the peace conference, held a month ago in Madrid, is the best evidence of the correctness and soundness of Egypt's political directions on the Palestinian issue. I would like to point out here that Egypt's position regarding the Gulf crisis last year proves that Egypt will always stand with right.

[Salim] What is the most important stumbling block that the Arab economy faces in the new world order?

[Lutfi] At the outset, I would like to refer to the past, and by that I mean the international changes. In fact, the last six years—since the mid-eighties—have been witness to numerous international changes, so that now everyone talks about a new world order. The most prominent of these changes are the profound changes that have occurred in the Soviet Union since former President Gorbachev came to power in 1985, and pursued his policy of *perestroika* i.e., structural change, and the policy of *glasnost*, which means openness or disclosure. The second important international change was the radical changes that

occurred in East Europe, both politically and economically. Politically, these countries began to move toward democracy and freedom. Economically, these countries have begun to move toward market economies.

Within the context of the new world order, I would also like to refer to the policy of detente between the two super powers, the United States and the former Soviet Union, as well as the unification of the two halves of Germany.

In light of these and other changes, the new world order has begun to form. I hope that the Arab world does not lag behind in pursuit of these international changes.

If there are obstacles facing the Arab economy, they would be led by the failure to provide political will on the part of certain Arab rulers, who are still taking a narrow view and who take no notice of the serious and profound changes going on around them in various parts of the world.

[Salim] What is the ideal way to establish true Arab economic cooperation?

[Lutfi] The Arab world, which has 21 nations and a population of nearly 200 million people, has the components of true economic cooperation. The Arab world has large areas of arable land and vast areas of land suitable for agriculture. We should remember that one Arab country alone—Sudan—contains more than 60 million feddans suitable for agriculture, but it is not being exploited because of a lack of infrastructure. If it were possible to plant this acreage—and it is possible—the Arab world could stop importing food from abroad, or even become a food exporter. The Arab world has huge quantities of oil, since about 50 percent of the world's reserves lie beneath its territory. The Arab world represents a vast market that would permit the absorption of huge quantities of manufactured products. The Arab world also has no shortage of the technical and managerial resources required to start down the road to development. What is required is political will and an interest in joint participation.

[Salim] The Arab world has seen a number of experiments and attempts at economic integration and political coordination. What is your evaluation of them and your view of the future?

[Lutfi] Let me answer this question with complete candor. I must go back to what I said before. Let us recall together, for example, the economic committee under the Arab League, the Economic and Social Council of the Arab League, the Arab League Council of Economic Unity; an Arab common market, an Arab monetary market; and all the other committees, councils, and funds.

This is on the economic side. Politically, there is the Arab League, and the several attempts at bilateral, trilateral, or quadrilateral unity. All of them ended in failure, except for three Arab groups. The first, beginning in the eighties, is the Gulf Cooperation Council [GCC], which brings together the six Arab Gulf nations, the second is the Arab Cooperation Council, which was formed in 1989 and includes four Arab countries, and, the Arab Maghreb Union, formed at the same time among five Arab states.

The fact is that these councils have also proven not to be successful in achieving the basic goal to which they all aspire. That goal is Arab economic integration. Only the GCC has had limited success, represented by some coordination among the six member states.

On the basis of this, we can see that all previous attempts did not achieve the political and economic goals. Accordingly, we hope that the Arab League will, in the near future, learn from these failed attempts and propose a new formula that will make up for lost time and, consequently, achieve true economic integration and serious political cooperation, preparatory to attaining political and economic unity. This is particularly true, since we are now living in the shadow of large entities, especially the unification of the 12 Western European nations and the agreement of cooperation between them and the six European AFTA [Atlantic Free Trade Area] countries beginning in 1993.

[Salim] The Egyptian economy is currently passing through a number of developments and reform measures. How do you see the future of the Egyptian economy, in light of these reform measures?

[Lutfi] When President Mubarak came to power at the end of 1981, the Egyptian economy was suffering from structural defects, most important of which was the imbalance between productivity and consumption, between savings and investment, between imports and exports, and between the state's income and expenditures. The president immediately understood the danger of this economic situation and called for an economic conference, which was convened in February 1982. It was attended by 37 economic experts in Egypt. I was honored to participate in this conference. We concluded with a group of recommendations, most of which were later applied. In 1985, when I was honored with the prime minister's office, I prepared a comprehensive program for economic reform in Egypt, based on several important factors, including:

- Increasing production, in industrial, agricultural, and energy fields;
- Dealing with the state's general budget deficit;
- Dealing with the balance of payments deficit; and,
- Facing up to the population problem.

I immediately began to apply this program, while the present government, under Dr. 'Atif Sidqi, has completed the application of the remainder of the program's elements. Therefore, I am in complete accord with unifying the exchange rate, freeing interest rates, placing restrictions on bank credit ceilings, gradually converting the in-kind subsidy to a monetary subsidy, imposing a sales tax, and enacting the business sector law.

I would like to add that these measures should be accompanied by concern for increased production; encouraging the private sector; creating a climate suitable for Egyptian, Arab, and foreign investment; and encouraging exports.

[Salim] Will currency exchange firms have a role in increasing the stability of the present foreign currency market in Egypt?

[Lutfi] I have always advocated establishing currency exchange companies, because unifying the exchange rate requires the existence of these firms, since they can be spread throughout the republic, especially in small towns and villages. In addition, these companies work long hours every day. Some of them stay open until 10 at night. It is also easy to do business with them, as compared with banks, and they also have the ability to collect small amounts of dollars and various other foreign currencies.

[Salim] How do you view the business sector law that was recently enacted?

[Lutfi] At the outset, I must point out certain facts about the public sector in Egypt. It has 393 companies, in which approximately 1.4 million people work. The public sector's fixed assets are 75 billion Egyptian pounds. The Egyptian public sector faces three basic problems:

- Poor rate of return, not exceeding an average of 3 percent;
- Huge losses suffered by some public sector companies;
- Huge debt, now totaling about 45 billion pounds.

Because of this, it was necessary to enact the General Law of the Business Sector, No. 203 of 1991. I can say that this law is aimed at achieving two basic goals: to raise the level of competition, and to apply the policy of privatization in whole or in part.

By reading the law's provisions, we can see that there are three ways to attain these two goals:

- Separate ownership from management;
- Make the public and private sectors equal in business relations; and,
- Encourage the private sector to enter as a shareholder in certain public sector companies.

I would like to point out that the new business sector law is being applied to all insurance, oil, and military production companies. If I have reservations about this law, they are limited. The most important are

1. Preserving 51 percent of the public sector. In my opinion, there was no reason for this provision.
2. Forming boards of directors of subordinate companies. According to the law's provisions, if there are five members of the board of directors, 50 percent will be for workers, i.e., three, and of the other two members, one will represent the public sector and the other the private sector. This would mean that, if the private sector's share is 49 percent in a public sector company, it would only have 20 percent representation on the board.

Finally, I see a need to rehabilitate public sector companies that show losses before offering them to the private sector.

Domestic Production of M-1 Tank Reviewed

92AF0391B Cairo AL-JUMHURIYAH in Arabic 6 Jan 92
p 4

[Article by Jamal Kamal, 'Citadel 200' Provides 4,500 Jobs, Serves 20,000 Arab Armored Vehicles"]

[Text] A few days ago work began at the Egyptian Tank Factory to carry out the program to manufacture the American M-1 tank. The plant will be officially opened next June, when the first tank of this type is assembled in Egypt.

American experts describe the factory as the first of its kind in the world in terms of the manufacturing plant and facilities.

American experts also consider the M-1 tank manufacturing project the largest of its kind to be carried out in cooperation with the U.S. anywhere in the world in 25 years.

Establishment of the factory and manufacture of the American M-1 tank are, to a great extent, linked to Egypt's military and war production strategies, which hold that the shape and size of the armed forces is not tied to the intentions of those around us, but essentially to their military capabilities, regardless of whether we are at peace or rapprochement with them.

Nonetheless, the establishment of the tank plant in Egypt is primarily related to its economic feasibility and the contribution it can make to the country's balance of payments.

Since the early sixties, Egypt has basically relied on Eastern arms, including the T-45 through T-72 tanks. From the eighties onward, Egypt shifted towards obtaining American M-60 tanks, as Eastern tanks approached the end of their life expectancy, no longer requiring continual upgrading to keep them in service. Meanwhile, American tanks are continually in need of repair, overhaul, and upgrading.

The costs of all this are greater than anyone can imagine. Repairing a single M-60 tank costs 120,000 Egyptian pounds, while repairing an Eastern tank may cost 100,000 pounds, many times more than the original cost at the time of purchase.

What this means is that the armed forces and modern Egyptian industry had two choices: building a plant to maintain and repair tanks, or building one to produce them.

Numbers played a major role in making the right choice. The cost of establishing a factory for maintenance and repair is \$425 million, while building a production plant costs \$400 million, and a plant to produce, repair, and maintain costs \$650 million!

Thus, the decision of the Armed Forces Supreme Council in 1984 was to begin establishing an integrated project to produce and repair armor under the Ministry of War Production, calling it "Project [Citadel] 200."

Officials in the Ministry of War Production emphasize that the project can cover its cost in full within a few years. It has a projected capacity to repair 180 M-60 tanks and 240 tanks annually, in addition to repairing 540 engines, reconditioning over 1,000 parts, and manufacturing 100 main battle tanks and 200 armored personnel carriers annually.

The project provides 4,500 new jobs, 1,300 of which have already been created; and opens markets for the repair and manufacture of tanks in the Arab region, which now has over 20,000 Eastern and Western tracked vehicles.

As Dr. Eng. Jamal al-Sayyid, minister of state for war production, points out, when the plant was being planned, the flexibility to produce civil engineering equipment was a consideration.

The choice of the American M-1 tank was not made in a void, for since the beginning of 1984, seven international companies from Britain, the United States, Yugoslavia, and West Germany have been involved. The T-72, Leopard, Challenger, and M-1 tanks were actually tested, and the latter was selected.

Overview of Industry Previous Two Years

92AF04824 Cairo THE EGYPTIAN GAZETTE
in English 22 Jan 92 p 3

[Article in Candid Opinion column by Dr. Yusef Mazhar: "Industry Results '90/91'"]

[Text] It is always interesting to note the progress of industrial development in this country because of the great dependence on this sector for economic development as the expansion in agriculture is now limited by land and water limitations.

The total production for the group of companies, numbering 116 still supervised and maybe for the last time by the Ministry of Industry, reached 18,504 million Egyptian pounds with an increase of 16 percent over last year. Due to the increase of prices the real growth is claimed to be 10 percent.

Contrary to common belief the growth in the textiles sector amounting to 15 percent was not the largest with food industries claiming a 20-percent increase, chemical industries 16 percent giving the above mentioned overall growth of 16 percent. While growth in the metal industries was a healthy 17 percent and mineral wealth 16 percent the growth in food industries seems to be coping with the still increasing population and standard of living expectations.

But at least the textile sector still accounts for 50 percent of all the exports and amounting to LE [Egyptian pounds] 1,181 million from a total export figure of LE 2,360 million equivalent in foreign currency. The food industries only export a meagre 7 percent and all other sectors lie in the same low category except for the metal industries which is the next largest percentage of 31 percent. Aluminium exports are the main metal export item which totals LE 718 million of ferrous and nonferrous products.

Employment in the 116 companies continues to decrease, 557,000 in 1990/91 from 563,000 the year before. Wages, however rose to a total of LE 2,304 million in 1990/91 from LE 2,059 million, an increase of LE 245 million with a manageable 12 percent increase so what is the average annual earnings in industry. It is now still around LE 4,135 compared to LE 3,656 for the preceding year, a growth of LE 479 and 13 percent which keeps an attractive average

for the possible success of foreign investment compared to other countries competing for investment from abroad.

Investments were only 76.5 percent of planned figures which is in line with basic thinking of keeping the public business sector harnessed and leaving room for private investments. But it also reflects the limits set on banks and financing restrictions of the National Investment Bank.

A total of 100 industrial companies made profits amounting to LE 1,207 million before taxes, LE 174 million more than the previous year. However, 14 companies made losses of LE 204 million, actually 4 more than the ten that had made LE 112 million losses the year before. Actually four companies were the main money losers. The notorious Misr Helwan Spinning and Weaving Company, losses LE 24,126,000 with a very bad trade record due to management, labour and financial problems, the Alexandria shipbuilding facility with losses of LE 45,106,000 building some ships as money losers because of changes in foreign currency rates not passed on to clients. The ferrosilicon company is Edfu, LE 43,065,000 losses an example of bad technology choices and new revised technology agreements costs and the Abu Zaabal Fertilizers suffering from heavy foreign loans and bank overdrafts.

Other money losers were the automotive company LE 953,000 and one of the TV companies LE 6,976,000 due to excessive interest payments on bank overdrafts and a large workforce.

Whatever the outcome the industrial public business sector now still has investments in 1990/91 of LE 17,750 million, pays back 4,109 million to the treasury, gives a return on investment of 6.8 percent and pays millions in taxes and provides employment for over half a million persons and is still producing many of the necessary goods and commodities. The future of this sector should, therefore, be handled with care and prudence to achieve the required objectives whatever they may be.

Major Upgrade of Cairo Sewage System Celebrated

92AF0482B Cairo *THE EGYPTIAN GAZETTE*
in English 22 Jan 92 p 1

[Text] The days of raw sewage flooding the streets of Cairo may finally be numbered.

President Hosni Mubarak and Britain's Duke of Gloucester yesterday celebrated the successful completion of the first phase of a vast new sewage system under the densely populated east bank of the River Nile.

Mubarak pressed a button to operate pumps sucking sewage out of a network of tunnels up to five metres (15 feet) in diameter dug through soft ground deep beneath the overcrowded city.

The present sewage system was built 70 years ago to serve a population of less than one million and although it has been expanded, it has proved totally inadequate for a city which now houses more than 12 million.

The east bank scheme, partly funded by British, Italian and European Community aid and mostly built by British-Egyptian joint ventures, is the largest element of a huge Greater Cairo Wastewater Project costing six billion pounds (1.8 billion dollars) and due to be completed by 2001.

Several phases of a west bank scheme, built with U.S. aid, were built during the late 1980s and further phases are under construction.

Housing and Utilities Minister Hassaballah el-Kafrawi explained to the Egyptian leader that studies for the establishment of this sewage scheme started as early as 1977 and were completed in 1982.

So then there lack of means to finance its implementation, Kafrawi added, referring to the efforts the President exerted to provide the needed funds.

The new system is the first ever to be designed, Kafrawi said, pointing out that it is also the first of its kind to be produced by the company in charge of the completion of all the stages of the scheme.

In this context, Minister Kafrawi referred to the requests made by foreign companies for hiring Egyptian experts and engineers to contribute to implementing similar schemes in India and Iran.

"The project is daring, civilised and will save the face of Egypt and Cairo from any kind of waste water pollution," Salama Ahmed Salem, chairman of Egypt's Wastewater Organisation, told yesterday's ceremony at Ameriya pumping station in northeast Cairo. "We will feel a reduction in underground water, God willing, especially in sites of Egypt's monuments."

Apart from the obvious health hazard to people, overflowing sewage has been eroding the foundations of many of Cairo's Pharaonic and Islamic monuments.

The east bank scheme, begun in 1985, serves areas including the densely populated medieval part of Cairo. It involves a network of 50 km (30 miles) of tunnels, pumping stations, culverts and a big treatment plant being built by the Italians.

Project director James Somerville said a spine tunnel 12 km (7.5 miles) long and between four and five metres (12 and 15 feet) in diameter had been dug about 20 metres (60 feet) underground, below the old sewage system and even below the recently built metro railway.

The first four or five km (two or three miles) of the spine tunnel went into operation a few days ago.

The first phase involved 10 separate construction contracts with a total value of more than 500 million pounds sterling (900 million dollars).

Military Institutes' Pay Raises

92AF0392B Cairo AL-JUMHURIYAH in Arabic
1 Jan 92 p 6

[Article by Jamal Kamal]

[Text] Minister of Defense General Husayn Tantawi has issued directives to all armed forces' corps and departments to begin implementing a plan to increase services to recruits and to improve their living conditions in formations and units.

Major General Muhammad 'Adil Kamil, Chief of the Support and Supply Corps, said that the plan to improve the recruits' living conditions includes several basic points to expand the establishment of repair shops and factories for the production of provisions, clothing, wooden and metal works, foodstuffs, tools, and printed paper. The plan also includes a factory to produce manuals, with a capacity of 15 million manuals annually, in addition to vegetable and fruit farms.

Among these services will be the establishment of a plant to freeze vegetables and using the bakery complexes built by the armed forces for the Ministry of Supply to fill the recruits' bread needs. Also, they will expand the military cities and build dozens of small cities for the various formations and units, using their own efforts in the border regions to provide food and lodging areas suitable for recruits. It would also expand the building of outposts and hospitals in various formations.

He said that the plan included providing free train and bus transportation in the provinces—and car transportation at a nominal price—for all recruits, officers, and conscripts.

IRAQ

Officials Review Reconstruction of Installations

92AE0224A Baghdad AL-JUMHURIYAH in Arabic
18 Jan 92 p 14

[Investigative report by Faruq Hamdi: "Assault Targeted All Petroleum Installations in al-Basrah"]

[Excerpts] The enemy persisted day and night in order to destroy all civilian targets in Iraq—bridges and roadways, factories and facilities, and apartment buildings—preferring to kill women, children, and old people. Still, the aggressor's black hearts were terrified of a land battle.

According to engineer Najm Hadi Mukhawwar, director general of the General Authority for Oil and Gas Production in the southern region who, with his working colleagues in the fields, continues to secure oil products for the citizens. [passage omitted]

The Iraqis got what they wanted—reconstruction and rebuilding campaigns in all fields. The General Authority for Oil and Gas Production, the Southern Oil Company, the Iraqi Drilling Company, and the Petroleum Products Company have been re-energized and are now even better than they were before the aggression. Oil refineries are again producing now that petroleum, gas, and gasoline production lines have been brought back into operation in

less than 90 days. Next February will see the opening of units of al-[Duhun] refinery at an annual capacity of 100,000 tons; units of Southern Gas at a daily capacity of 1,300 tons of liquefied gas; the al-Basrah Crude Oil refinery line and supplementary units at a daily capacity of 70,000 barrels; and the gasoline production line at a capacity of 1,500 cubic meters, with kerosene and light fuel oil at a daily capacity of 3,500 cubic meters.

Engineer Rafid 'Abd-al-Halim, general manager of the Southern Oil Company, says that the third stage of the campaign to rebuild petroleum installations is nearing completion and that company workers have completed the rebuilding of 80 destroyed sites, thus raising the company's crude oil production above 1 million barrels per day. Meanwhile, efforts continue to rebuild the port of al-Bakr, whose Pier 1 operates at an export capacity of more than 400,000 tons of crude oil per day. Also to open next February will be Pier 2, which matches Pier 1 in export capacity.

The company's general manager adds that its national owner has completed the rebuilding of all land installations involved with pumping and export.

At the company's branch for the distribution of petroleum products, where the treacherous alliance targeted loading stations, the men have been able to revitalize all installations that help secure the citizens' needs for kerosene, gasoline, and liquified gas and its deliveries to homes and remote quarters.

Says branch manager 'Abd-al-Baqi Hasan: "The company affiliate currently helps to secure 22,000 cylinders of liquefied gas daily, which are distributed to citizens by liquefied gas marketplaces. Fuel loading stations help secure kerosene and gasoline for inhabitants of the governorates of al-Basrah, Maysan, and Dhi Qar.

The Iraqi Drilling Company is playing a pioneering role in the campaign to rebuild what the evil aggressors destroyed. National cadres rose and rolled up their sleeves to repair and rebuild 18 oil-drilling rigs in less than 180 days at a cost of 1.5 million Iraqi dinars, compared with \$30 million in hard currency, which specialized multinational corporations would have charged [for the same job].

Dr. Thamir 'Abd-al-Hamid al-'Ukayli, director general of the company, says that the reconstructed rigs include two giant rigs that have a subterranean capacity of up to 6,000 meters. He said that 75 percent of the rigs had been destroyed and that their reconstruction is considered a major national accomplishment. He added that four more rigs are being repaired and will be put into service along with other excavating and drilling rigs already operating in the governorates of al-Basrah, Maysan, Dhi Qar, and the northern regions. He said that the drilling equipment has begun operating at higher efficiency and with higher capacities than before the aggression of the 30 [allies], thanks to innovations used by national cadres in rehabilitating those towers.

The picture for Iraq and the Iraqis therefore remains bright. Their unyielding will continues to be esteemed and admired by freedom-loving peoples and nations throughout the world.

JORDAN

Foreign Minister: Extremism Will Rise If Talks Fail

92AE0230A London AL-HAYAH in Arabic 7 Feb 92 p 4

[Interview with acting Foreign Minister 'Abd-al-Karim al-Kabariti by Salama Na'mat in Amman; date not given]

[Text] The Jordanian Minister of Labor and Acting Foreign Minister, Mr. 'Abd-al-Karim al-Kabariti, has called Arab countries to "the real confrontation," and called on them to deal with "explosive issues" in the region, warning that the failure of the Arab-Israeli peace negotiations would lead to the "domination of extremism and the ascendancy of fanaticism, hatred, and wasted effort and money both sides." He said in an interview with AL-HAYAH that the absence of a joint Arab working plan "gives Israel the chance to procrastinate, postpone, and concentrate on procedural issues" instead of the negotiations' substantive issues. He confirmed that "while America is closer to Israel on the procedural issues, it is closer to the Arab truth on the substantive issues."

Here is the text of the interview.

[Na'mat] What about the coordination with Egypt and Syria in the peace process? Have all efforts in this regard failed?

[al-Kabariti] The participation of eleven Arab countries, besides Jordan, in the multilateral conference (in Moscow), and Syria's participation in bilateral negotiations, mean that there is a complete Arab commitment to the peace process; i.e., that there is a strategic goal that unites the Arab parties.

But the absence of a general plan or working mechanism to guide the way, and the absence of coordination, give Israel the chance to procrastinate, postpone, and concentrate on procedural issues. I see an encouraging beginning in the meeting of the heads of the Arab delegations to Moscow, on the road to joint planning, leading to the building of the negotiating stance we seek. Palestinian-Jordanian coordination might be a model to be emulated, and a shining picture of cooperation. Of course, Jordan is striving for its distinctive and special relationship with Syria, and the great importance of the Egyptian role will be a gateway to closer relations, broader coordination, and deeper cooperation. In the coming phase, I do not think that differing on the subject of the multilateral negotiations will be a reason for antagonism among the Arab countries.

[Na'mat] Three months after the start of the negotiations, is there any change in your assessment of the American role?

[al-Kabariti] The American role as a basic mediator is indispensable. I think America now has an interest in Middle East peace for several reasons, related to its desire for a new world order, which cannot be established without a stable base in the richest oil region of the world. And while it (America) seemed closer to Israel in the procedural issues, it is closer to the Arab truth on the issues of substance. Therefore, Israel must not be given the chance

to exploit that in its attempts to derail the long and difficult peace process, and we will not be able to control the success or failure of the process at this early stage.

Settlement and Withdrawal

[Na'mat] What must be achieved for it to be said that success has been achieved?

[al-Kabariti] A halt to settlements, and an Israeli declaration of acceptance of the principle of withdrawal in exchange for peace. The first condition may be met over time in the bilateral negotiations, and the second may be met over time in the multilateral negotiations.

[Na'mat] What would the failure of the negotiations mean for Jordan?

[al-Kabariti] The failure of the negotiations would mean a setback leading to the domination of extremism, both Arab and Israeli; the ascendancy of fanaticism, hatred, and effort and money on both sides wasted on things that have nothing to do with the security, stability, or prosperity of the region.

[Na'mat] What would the success of the negotiations mean?

[al-Kabariti] It would mean security, cooperation, development, and progress on the road to democracy, freedom, and human rights. This is the way we see the just and comprehensive peace.

[Na'mat] To what extent does the the peace process enjoy Jordanian public support? Who is managing the process?

[al-Kabariti] The majority of the people of Jordan support the peace efforts, and understand perfectly the importance of the Jordanian role and coordination with the Palestinians. So the political powers that reject these efforts do not represent broad public opinion. For that reason, their expressions have been limited to statements of provocation and abuse, in addition, of course, to the channels provided by democratic parliamentary activity, of which we are proud in Jordan.

When peace represented the political and national will, expressed by His Majesty King Husayn and his government, the task of managing the negotiations and decisions relating to it was entrusted to a specialized team responsible to the king and the government.

[Na'mat] What is Parliament's role?

[al-Kabariti] Constitutionally, it is the king who ratifies accords and treaties, and Parliament has the right to accept or reject them.

[Na'mat] A year has passed since the liberation of Kuwait from the Iraqi occupation, yet Jordan is still in its Arab isolation—

[al-Kabariti] In the history of Jordan, our policies have always been in harmony with our principles and ultimate goals. We believe in dialogue, and we fight to win the confidence of others. For the sake of that, we have paid precious blood and an economic price.

From the beginning of the Gulf crisis, we found nothing in it to serve our interests or achieve our goals, only a menace threatening Arab security. We never accepted for one day, or had any sympathy with, the occupation of Kuwait, and we never were we the echo of this or that country's policy. We did not agree with the policy of using force to settle disputes or accomplish lofty aims among our Arab brothers.

Building an Arab Order

[Na'mat] So what is your view of the future of Arab relations?

[al-Kabariti] The Arabs must face the truth, which is that there are many explosive issues, not the least of which is the Arab-Israeli conflict, the water crisis, and plans to gain control over Arab resources and neutralize our global role.

It is a matter of a choice. Success means the renewal of the Arab-Arab dialogue, resulting in building an Arab order with which we will enter the coming era, to achieve the well-being and advancement of our peoples. Failure will lead to more frustrations, extremism, and explosions.

[Na'mat] When will Jordan return to the fold of Arab action?

[al-Kabariti] We never left it in the first place, and don't need to "return."

LEBANON

Relationship of Water Crisis to Peace Studied

92AE0228A London AL-HAYAH in Arabic
26, 27, 28 Jan 92

[Three-Part Article by 'Isam Kamal Khalifah, History Professor at Lebanese University: "Water Crisis, Middle East Peace Issue; Political, Hydraulic Elements Preserve Lebanon's Right to Its Waters; Israel Links Peace Issue to Its Acquisition of Share of Water; International Law Supports Lebanese Position on Water Issue"]

[26 Jan p 8]

[Text] Israel's ambitions in southern Lebanon are old and perhaps date back to the start of the Zionist movement. This dear part of Lebanon contains major water resources. Perhaps this is one of the main reasons that have motivated the Zionist movement to consider southern Lebanon a part of the Galilee or of northern Palestine. A most prominent argument cited by the religious tendency is that four of the Israelite tribes, namely Zebulon, Issachar, Asher, and Naphtali, had inhabited southern Lebanon. This study tries to deal with the water problem which will be raised in the Middle East peace conference in light of the various parties' positions.

To the majority of researchers, it is a foregone conclusion that water generally, and in the Middle East in particular, is an extremely important commodity. Some emphasize that it is perhaps more important than oil, a commodity which has governed international politics for a whole century, at least. The International Strategic Studies Center asserts that our region "stands on the threshold of

a major crisis in natural resources. Conflict among the region's states over these limited resources may lead, before the end of the century, to unprecedented turmoil and rebellions." In the same context, Joyce Starr, a U.S. researcher, says: "Water is the most important resource representing a problem that faces all the (Middle East region) states. No other issue affects all aspects of life as this issue does."

A student of the Zionist leaders' geo-political thinking notices clearly their great interest in the geographic details of the promised land, especially in the water in this land. If we put aside the extraordinarily insightful memoranda which were written by Chaim Weisman prior to the [Yalta?] peace conference and which were concerned with securing water for the future Israel, we find that the Israeli leaders who contributed afterward to creation of the State of Israel were no less vehement on the water issue. Ben Gurion has said: "Jews are fighting the Arabs today in the battle for water. The future of the Jewish entity rests on the outcome of this battle." Golda Meir declared on the Knesset podium (1971): "Control of the water resources makes Israel a state that is not sealed off geographically, and this is extremely significant strategically and geopolitically." If water is an element of life and not an element of dispute, as Yuval Ne'eman has said, then it is certain that the meagerness of Israel's water resources is, as Ze'ev Shefi has said, one of the elements of Israel's weakness.

Meir wondered: "How can we have a state without immigration?" Ben Gurion stressed that "with mass immigration, it has been possible to establish the state and with immigration alone can the state stand fast." The inevitable result of geographic expansion and of demographic eruption will be what has been stated by a certain professor, namely that the "future Middle East wars will be wars for water control and their ferocity will put them a world apart from past wars." In the same vein, a study by the West Asia Economic and Social Committee says that continuation of the current water condition (in the Middle East) could lead to serious disparity that makes it possible for war to break out among the parties that share the water. The study concludes that the "15 countries that share the water of the Euphrates, Jordan, and Nile rivers have to conclude water-sharing treaties."

To put it very clearly, our region sits atop the water crisis boiler. This gives rise to the question: Is Israel experiencing a water crisis and what are the solutions available to it?

It must be noted that Israel considers issues pertaining to water a military secret and that it prohibits the public discussion of water issues connected with the state's higher policy. Therefore, the figures we present here are approximate, not exact, figures:

Nearly 4.5 million people live in Israel now. Their annual water consumption is no less than 2.145 billion cubic meters, divided as follows:

Two thirds the water volume is allocated for agriculture (considering that 43.2 percent of the arable lands, i.e., 1.85 million dunams, are irrigated. Of this land, 87 percent is irrigated with sprinklers).

- 435 million cubic meters for civilian home consumption.
- 100 million cubic meters for industry.
- 105 million cubic meters for the West Bank.

Some studies point out that the Israeli per capita water consumption rate is nearly fivefold the rate in the neighboring countries, i.e., nearly 500 cubic meters annually.

How are Israeli water resources distributed? The Jordan River watershed provides 30 percent, and West Bank water provides 40 percent. The rest is secured from the purification of polluted water, from underground water resources in the West Bank, Gaza, Sinai, and southern Lebanon, from stored rainwater, and from other sources.

It is to be noted that Israel utilizes 98 percent of its entire known and renewable fresh water resources.

Based on these figures, we will submit the following observations:

1. A total of 67 percent of Israel's water consumption comes from beyond the 1948 Israeli borders.
2. The outcome of the 1967 war and the occupation of southern Lebanon has obstructed the Arab water projects and has secured for Israel more than 1.2 billion cubic meters of water.
3. A total of 83 percent of the West Bank water goes to Israel. A total of 100,000 Israeli settlers in the bank consume the same amount of water consumed by one million Palestinians. Land irrigated by the Palestinians in the bank has diminished from 27 percent to four percent whereas the settlers irrigate 70 percent of their lands. Israel forces the Palestinian to pay fourfold the rates paid by the Israeli citizen.
4. If Israel withdraws from the West Bank and southern Lebanon, it will be compelled to pay at least \$2 billion to make up for its water losses. Some expectations raise this figure to \$4 billion (for desalination costs).
5. Expectations expressed before the door of immigration from the Soviet Union was opened had indicated that Israel's water shortfall will amount to 950 million cubic meters by 1995.
6. The Israeli demographic explosion (6.5 percent annually) will cause Israel's water shortfall to rise to 1.5 billion cubic meters annually in the coming period.
7. If Israel manages to control all the water of al-Litani (800 million cubic meters annually), it will still be unable to surmount its crisis.

Perhaps somebody may say that Israel has numerous options to solve its crisis, including:

- Water desalination projects (especially projects using nuclear power) in which a cubic meter cost \$1-\$2;
- Re-use of sewer and factory water after purification. But the volume is small.
- Try to stop water evaporation from Lake Tiberias. However, continual waves in the lake make the chemicals used inefficient.
- Cloud seeding. However, this endeavor has led to some adverse consequences.
- Capture and store rain and flood waters underground;

- Mix saline water with fresh water for agricultural purposes;
- Economize water consumption by employing drip-irrigation.

These measures and others have not really solved the problem. On the other hand, there is more evidence confirming how severe Israel's crisis is:

First, since 1986, Lake Tiberias has been at its lowest level (111 meters below sea level) and it has been confirmed that saline water has seeped extensively into underground fissures all along the Israeli coast because their fresh water has been pumped out. This has posed a threat to Israel's coastal agriculture.

Second, consumption of the strategic water store. This has led to a broad debate in the Israeli political and media circles and this debate compelled Refa'el Eytan to insist on dismissing and replacing Meqorot's Corporation chairman, which is what has happened.

Third, declaring a state of water consumption emergency in Israel at several levels:

- Reducing consumption.
- Refraining from filling swimming pools.
- Curtailing garden watering.
- Urging Israelis to bathe in twos.
- Raising fees steeply.
- Reducing the water volume allocated for agriculture (by 25 percent in some areas). This has led to a drop in fruit and vegetable production.

Based on the above, it is obvious that the crisis is serious and profound. What are the options available to Israel? Thomas (Neff), a U.S. researcher, presents three possibilities, all of which affect the situation in southern Lebanon:

First, restructure the Israeli economy in a way that makes Israel dispense with water-consuming irrigated agriculture and turn to light industries and services that provide it with the cash liquidity to import its food needs. Israel has actually reduced irrigated agriculture by 30 percent this year (1991), but this is incompatible with the Israeli security concept, which calls for self-sufficiency.

Second, let Israel negotiate with Lebanon to share al-Litani water. But this is a weak possibility because of the lack of trust between the two sides and because of Lebanon's fragile political structure (according to the researcher).

Third, let Israel divert the al-Litani River by force. This is nothing new, because Israel previously used military force to deal with Jordan River water. This option will cause instability in Lebanon and will justify a continuous Syrian presence in the country.

Neff concludes that "Israel will try hard to control southern Lebanon's waters, especially al-Litani River water, or to get a share of this water in one way or another. This is confirmed by Israel's demands and actions on this issue and by its need for water and because these waters are close, pure, and abundant. Israel is not expected to abandon the security belt in southern Lebanon without acquiring a large share of its water in return."

Parallel to the Israeli tendency to acquire Lebanese water to solve its crisis, officials of the Jewish state raise the possibility of using the Nile water to help (they demand 1 billion cubic meters, at least). It is within this context that "we can understand the active Israeli efforts in the Nile basin countries, especially in Ethiopia and southern Sudan, and the dam project plans that Israeli experts have drawn up for the Ethiopian authorities to pressure the Egyptian authorities and compel them to deliver Nile water to the al-Naqab (Negev) desert."

On the other hand, we can understand the Turkish peace pipeline projects and their importance to Israel. Early in December 1990, Israeli Water Commissioner Simha Isay announced that talks were being held with Turkey to import Euphrates River water from it to make up for the severe water shortfall resulting from the current drought. On 10 April 1991, Shimon Peres said that he discussed with Turkish President Turgut Ozal a plan that seeks to reduce Middle East tension by pumping Turkish water to the areas suffering from drought. The former Israeli prime minister said: "Ozal is prepared to build this pipeline. I call it the peace pipeline because it is very likely that the next Middle East war will be because of water, not Jordan." Peres added: "There has to be an economic development plan, and it can start with developing water supplies." He said that this pipeline may stretch to the West Bank. Turkey's foreign minister has said: "Israel will benefit from this project, which stipulates conveying the Tigris and Euphrates water to the Arab Peninsula" and that "if Israel were not concerned with this project, it could not be called a peace project." Whereas an Israeli paper has said that an Israeli commission has reached an agreement with the Turkish Government to supply Israel with 2.3 billion cubic meters of water annually at a cost of eight cents per cubic meter, the media have reported the news of Shimon Peres' visit to Turkey and his meeting with President Ozal, expressing the belief that this visit is connected with the peace water project. But Nimrod Novik, Peres' aide, has said: "Water is the issue on which Peres has been working for years." In a statement to HADASHOT, an Israeli paper, Novik added: "We believe that the time has come to persuade the Russians, the Egyptians, and the other Arab elements to find a solution to the region's water problem." Novik went on to say: "In fact, we have a multi-national symposium on Middle East development within the framework of the October conference. We believe that this is the time to draft a plan to solve Israeli water problems." Novik also said that Peres "started tackling the Israeli water resources issue from the time he held the post of prime minister in 1987."

[27 Jan p 8]

[Text] What are Israel's strategic water objectives vis-a-vis Lebanon? Between theory and application, what is Israel's general approach?

If Israel has allocated vast sums for water research that have surpassed similar allocations for the purpose by the rest of the world, then the additional quantities of water

Israel has obtained through unconventional methods continue to be very small. If the Israeli water policy is based on disregard for Arab rights or for the basics of international law on river waters, then the force guiding this policy is the interest of settlers and of unlimited settlements. Moreover, the State of Israel doesn't negotiate with anybody on implementing its water strategy and objectives. Israel wants to remain free and to take all the steps it deems fit to take independently and unilaterally.

The Israelis have been helped in this by their marked military superiority over the Arabs, their strength in the international decision-making centers, their enormous financial ability, which allows them to implement the projects they plan promptly, and their strength in the media, which turn their invalid acts into a reality.

Within this context, we can understand Israel's water wars in 1956 after Israel had rejected the Johnston mission. We can also understand the 1967 War, which gave Israel control over the West Bank and the Golan water.

It is within this context that we should understand the al-Litani operation of 1978 and the so-called "Galilee security" campaign. With these wars, Israel imposed a new international reality and forced the Arabs to back down on what they had been demanding previously.

"Lebanon is a historical and geographical mistake." This is what Moshe Arens has said. The truth is that the distant background of this statement reflects a subconscious determination to erase the State of Lebanon from the political map as a prelude for controlling Lebanon's land and water—land for settlement and water for drinking and irrigation (nearly 10 billion cubic meters of rainwater fall on Lebanon annually).

On 11 May 1991, Israel declared that it will not withdraw from Lebanon without pledges that it will get its share of al-Litani River water. At a symposium held in Oxford on the south and water, Michel Iddish said that "David Kimche, former general director of the Israeli Foreign Ministry, asserted in a letter that he sent to James Draper, the U.S. mediator, a few days after conclusion of the May accord, that Israel's withdrawal from Lebanon is expected to be tied Israel's acquisition of a share of southern Lebanon's water."

Thus, it is evident from historical events and from field developments that Israel's objective is to legitimize its theft of Lebanon's waters or, more likely, to force the State of Lebanon to sign accords that acknowledge that Israel is entitled to a share of Lebanon's water, keeping in mind that Israel is now stealing undetermined quantities of Lebanese water, of which the following have become known:

- 140 million cubic meters annually from al-Hashbani and al-Wazzani rivers.
- 25 million cubic meters annually from nearly 100 small springs and streams on the western end of Hermon.
- 20 million cubic meters annually emanating from molten snow in the western plateaus of Jabal al-Shaykh (Mount Hermon).

- An undetermined quantity of al-Litani water (an official of Meqorot Corporation has admitted to stealing 20-23 million cubic meters);
- An undetermined quantity from the numerous artesian wells from which water is pumped to the occupied territories.

It is within this context that we can understand what the newspaper DAVAR said on 14 April 1981, namely: "Israel must seek to gain international, at least U.S., legitimacy for its security, political, and moral interest in Lebanon, by virtue of its position as a vital partner to any settlement in Lebanon."

What is the water strategy that Israel adopts vis-a-vis Lebanon? It was evident for the fathers of the project since the onset of this century that direct military control by the forces of the State of Israel over southern Lebanon, especially over the al-Litani, is the solution. In 1983, Science Minister Yuval Ne'eman said that any operations to divert water from Lebanon will be under military control and will be tantamount to military secrets.

Because Israel embraces a gradual, phased policy, it has been working since 1978 to gnaw off a dear part of our homeland that it has called the "security belt" or the "border strip." What are the most distinct features of this gnawing?

1. In a report he submitted recently to the Security Council, former UN Secretary General Perez de Cuellar says that Israel has lately intensified its road-construction programs in the territories under its control and has been linking the water and telephone networks of some Lebanese villages to Israel itself, increasing the number of its administrative offices in the security belt area, imposing Hebrew on car license plates, giving the inhabitants internal passports to travel in the area, and linking the security belt area to Israel economically and administratively, either directly or through the Lahdist forces.

2. Israel has diverted al-Wazzani River water and has built 5 km of fences around the river headwaters.

3. Since March 1978, the occupation army has prevented Lebanese farmers from drilling new wells and has filled previously drilled wells. The army has also installed underground equipment in slopes near Marj 'Uyun and the Israelis have used sophisticated electronic rigs to drill seven wells at the foot of Tall al-Muhamid (al-Muhamid Hill). Moreover, the Lebanese al-Shafah water network has been linked at the Rumaysh/Kafr Killa juncture with Israel's water network. Israel has also linked the main network of al-Tayyibah plant in the central sector with its water network.

4. On 18 April 1984, the official agencies in the south sent a cable indicating that an Israeli engineering team entered southern Lebanon from Kafr Killa and launched work near Dayr Mimas in al-Litani Valley to dig a 17-km canal to draw Lebanese water into the occupied territories.

5. On 10 June 1982, John [Colly], a reporter for the HERALD TRIBUNE, said that he obtained information from the CIA to the effect that Israel was building a tunnel

to get to al-Litani River water near al-Khardali Bridge. He added that he came to the area and spent five weeks between Beirut, the south and Israel, and became certain that work on the project was proceeding actively and that the project sought to dig a 10-km long tunnel from Wadi al-Baraghith depression in Palestine to a low point under al-Khardali Bridge. Major General Muhammad Jamal Mazlum has asserted that Israel is diverting quantities of water from al-Litani River through a tunnel. U.S. researcher Thomas Neff has stressed before the U.S. Congress that Israel is stealing water from al-Litani River.

6. Israel is expelling Lebanese farmers from Shib'a farms and seizing their land.

7. Israel is harassing the Norwegian forces deployed in the southeastern area (Rashayya al-Fukhkhar).

We ask this question: Why have the UN forces kept a corridor open for Israel in the nearest triangle between al-Litani River and the occupied Palestinian territories? Is this pure coincidence?

From this review, we arrive at these observations:

1. Israel seeks to maintain its control over the Lebanese water resources through its forces, directly and through the Lahdist Army forces. It is not unlikely that it will launch settlement activity in the south at a later phase.

2. Israel is violating international law by exploiting Lebanon's natural resources. It is interested in more than just draining Lebanon's visible surface water resources. Its geologists are well-aware that Lebanon's underground water reserves are no less than 8 billion cubic meters annually. Consequently, Israel is trying to pump the underground water to the occupied territories.

3. Israel wants to keep all its water pumping plants protected by its forces through an agreement to be concluded in the future. Israel also wants Lebanon to agree to provisions that invalidate the international treaty that delineates the border between Lebanon and Palestine. Furthermore, Israel wants to drop the 1949 truce agreement and the 12 December 1949 agreement that delineate the border between Lebanon and Israel.

Israel wants to plunder all the water of al-Wazzani and al-Hasbani rivers, keeping in mind that there are Lebanese and Arab projects which call for utilizing this water within Lebanese territories, especially in Bint Jubayl area.

Water and Peace Conference

A careful examination of the U.S. and Israeli statements since the second Gulf war confirms that water, plus the borders issue, is one of the most prominent points on the peace conference agenda.

In wake of the Gulf war, which has been beneficial to Israel in several ways, Israel's prime minister launched a peace initiative based on the following:

A declaration of willingness to conclude a treaty that prohibits the use of mass destruction weapons

A declaration of his willingness to accept the principle of inspection of the Israeli weapons arsenal and the location and weapons of Israel's forces

In return for all this, Israel gets a share in the distribution of the region's fresh water.

Israel's negotiations will be held with the Arabs, either independently or collectively or under the auspices of a regional (but not international) conference, considering that the issue is regional, not international.

Geopolitically, the Israeli initiative means peace from Israel in return for water from the Arabs (or others). If Camp David is the basis from which the new conference will proceed, then Israel has expressed reservations on Palestinian self-rule by way of three issues:

- Ownership of land in the so-called autonomous territories;
- Water ownership;
- Establishment of an official relationship between the settlements in the bank and Gaza Strip with Israel; It seems that the tendency has been to keep water under Israeli control.

On 8 February 1991, Shamir said in an interview with THE WALL STREET JOURNAL that Israel is prepared to negotiate with its Arab neighbors to conclude "limited agreements." He expressed the belief that such agreements which would, for example, be concerned with the distribution of water in the Middle East, could help gradually develop trust among the region's states. On 11 May 1991, Israel declared that it will not withdraw from Lebanon without acquiring pledges to get a share of al-Litani River water.

At the end of August, Rehav'am Ze'evi and Yuval Ne'eman, two Israeli ministers who had resigned from the cabinet, demanded that the Middle East peace conference be postponed because the Jewish state had been excluded from the regional water conference (a conference for which the American Mrs. Starr had been preparing and which was postponed because of Syria's opposition to Israeli participation in the conference). In comment, Ne'eman said that "Syria's opposition to Israel's participation in the regional water conference confirms that Damascus continues to be completely hostile to Israel."

[28 Jan p 8]

[Text] What is the U.S. position on the water issue in the peace conference? The U.S. experience with the Middle East water issue is old and dates back to the 1950s, at least, and to the Eisenhower administration. Johnston, Eisenhower's envoy, kept Arab and Israeli diplomacy busy with this issue for two years.

In the end, Johnston accomplished nothing because of Israeli and Arab opposition to his proposals, which were based on exploiting the Jordan River watershed under the supervision of an UN-appointed international agency and on building a dam on al-Hasbani River and utilizing its water by pumping it through a pressurized 21-km pipeline to a site near the village of Tall Hayy in the occupied territories to generate 27 megawatts of electricity. The proposals were also based on diverting the waters of [Baniyas], Dan, al-Wazzani, and Surayd (and whatever water remains in the al-Hasbani) through a long network of

canals to irrigate al-Hawlah, upper al-Jalil [Galilee], Wadi Marj 'Amir, and other areas. The proposals further called for building a conversion dam in al-[Adasiyah] on al-Yarmuk River to divert flood water to Lake Tiberias.

The Arab protest focused on the water volume (Lebanon given nothing and a reduced volume for Jordan and Syria) and on its salinity.

As for Israel, it demanded a larger share than 33 percent and included al-Litani watershed within the plan. It also expressed reservations on international control of the water.

It seems that in wake of the Gulf war, President George Bush is serious in his effort to develop some sort of settlement in the region. The most marked proof of this seriousness are the successive visits made by the U.S. secretary of state to develop such an agreement.

Even though it is difficult for one to know the true positions of countries, especially on such an extremely sensitive issue as the water issue, it is not difficult to make out the general outlines through some allusions and statements.

On 22 March 1991, the press cited a statement by Mr. Armitage, Bush's adviser on Middle East water affairs and the man who seems to follow this issue at the White House. In his statement, Armitage expressed the opinion that the water issue is an "issue of war or peace, and an issue of survival for some of the region's states."

Armitage described the scarcity of water as a real problem that surpasses the importance of border conflicts, political aspirations, and security arrangements. He said: "Any Arab or Israeli leader who doesn't acknowledge this commits a crime against his society and dooms his people and the neighboring countries' peoples to a slow death."

He also expressed the opinion that it is still possible, though not likely, to settle the dispute on the basis of a series of steps proposed to build trust between the Arabs and the Israelis. He believes that technical cooperation between the Arabs and Israel on water issues could act as an aid to creating trust between the two sides.

Armitage also noted that the United States had tried in 1953 to encourage the conclusion of a comprehensive agreement to develop the Jordan River valley, and that the endeavor failed. He said that Washington will continue to offer proposals and the "parties concerned may accept or reject them. But what we cannot do is to absolve these parties of their responsibility."

On 25 March 1991, AL-HAYAH carried a statement by a Jordanian official who said that Washington was trying to persuade Amman that "at a time when the security excuses for Israel's failure to withdraw from the West Bank, Gaza, and southern Lebanon can be abolished, Israel's argument of its need for water cannot be disregarded. Therefore, we have to solve the water problem first, thus building confidence in the possibility of Israel's withdrawal and of solving the Palestinian issue." The Jordanian official added: "The U.S. administration plans to use its political

and economic influence to launch an international diplomatic effort to push for an agreement on the Jordan River watershed through economic and political pressure."

On 28 July 1991, sources in Cairo affirmed that Baker had touched on the issue of the region's water resources to make it a topic of debate and agreement within the conference, considering that it is "one of the fundamentals that have to be considered and that must become a realm of agreement between the Arab and Israeli sides in order to reach a stable peace," as Baker said. Baker also spoke of Arab-Israeli development projects and considered them "one of the important issues that will show how serious the Arabs are about normalizing their relations with Israel." David Gore-Booth, the British undersecretary for Middle East affairs, said that "The Americans are determined to push in the direction of holding bilateral negotiations to solve the border problems between the Arabs and Israel, provided that this is followed by a discussion of the other problems, such as the water resources problem, within the framework of the bilateral committees."

What are the conclusions that we can reach on the basis of the Israeli and U.S. positions on the water issue?

- Israel wants to continue to control all the water resources that it currently uses and is looking, especially in the direction of Lebanon, for further resources.
- It wants to legitimize this control through the international conference.
- It isn't unlikely that Israel will demand as a condition that the Arabs agree to the peace pipelines project.
- Israel will not embark on any step to settle any issue before it accomplishes its goals in the water issue.
- Israel has insisted on a regional, not international, conference in order to foil any possibility of intervention by the UN, or by any country, to apply international law, especially on the issues of borders and water.
- The U.S. has given priority to the water issue.
- The U.S. has tied trust between the Arabs and Israel to technical steps in the area of water.
- The U.S. will not impose a solution to the water issue, even though it will offer proposals.
- For the U.S., a settlement at this level is possible, but not likely.
- The Americans intimate that U.S. pressure for Israel's withdrawal is tied to Arab responsiveness to Israel's water demands.

Lebanon and Water Issue

The argument used by those who have reservations about Lebanon's involvement in the peace conference in this phase is based on firm grounds. This conference is being held on the basis of UN Resolutions 242 and 338, and Lebanon has nothing to do with these two resolutions directly. What calls for even greater caution is the U.S. pledge that Israel will have secure borders with Lebanon (Paragraph 16 of the U.S. assurances to Israel) and President Bush's failure to mention Resolution 425 in his opening speech to the conference, keeping in mind that

David Levi had stated that Israel feels reassured regarding the U.S. policy on secure borders with Lebanon.

For Lebanon's position on the water issue to become clear, one has to know the position of the international law on rivers.

The sovereignty of an independent state includes all the state facilities and resources, as defined by international law and the UN in the declaration issued on 14 December 1962. Thus, Lebanon's right to utilize the water emanating in and running through its territories (and within the state borders) is a right derived from the rules of the international law and stemming from the state's sovereignty over all its facilities and resources (this applies to al-Litani River, which originates and terminates within Lebanese territory).

In 1625, Brookings, a great legist, said: "A state's ownership of a water route passing through its territories is complete."

Within the same context falls [Harmon's] Principle, supported by Hyde, a prominent legist, who said: "A country where water originates has the right to use and utilize it, even if its action harms a neighboring state." [Fochtli] and [Hubber], two scientists, developed this issue in international law by underlining the concepts of neighbor right, gained right, and refrainment from offending a neighboring state.

On this basis, international law links the utilization of international rivers to refraining from harming neighboring states (by withholding drinking water, for example). A state in whose territory an international river originates is not obliged to obtain the approval of a neighboring state in order to exploit the water, but it is required to inform the neighboring state out of goodwill, so that the means to preserve the neighboring state's interests can be developed.

In case a dispute develops and a change occurs in utilization, the neighboring state has to prove that damage has been incurred.

If these are the constant principles of international law, then what about the status of our rivers in the south? It is to be noted that the State of Lebanon enjoys a distinct advantage in the ongoing talks. There exists between Lebanon and Palestine a border demarcation treaty concluded on 23 December [year not given] between Britain and France. Article 8 of this treaty states the following:

"Within six months of the conclusion of this treaty, technicians appointed by the administrations in Syria (and Lebanon) and Palestine shall examine jointly the possibilities of land irrigation and the production of hydrological energy from the upper Jordan River waters and al-Yarmuk River waters and their tributaries, all after the needs of territories under the French mandate are met. While waiting for this examination, the French Government shall give its representatives written instructions to agree to the use of surplus water in Palestine. In case the examination ends up in agreement, the decision on these issues shall be up to the French and British governments."

The Lebanon-Palestine border demarcation agreement, initiated by France and Britain on 3 February 1922 and approved finally on 7 March 1923, states the following on the water issue:

"The Palestine Government, or persons given this government's approval, shall have the right to build a dam to elevate the water level in al-Hawlah Lake and Lake Tiberias above the ordinary level, provided that a fair tax [compensation] is paid to landlords and settlers whose lands will be inundated. Any disagreement developing between the two governments or between individuals authorized by these governments, and the landlords and settlers shall be settled finally by a commission formed of four members appointed equally by the (French and British) mandate authorities. All rights gained by Syrian (and Lebanese) citizens to the Jordan River water shall be preserved."

An appendix attached to the border demarcation treaty concluded on 23 June 1923 between the British and French mandate authorities states the following:

"All the rights confirmed by contracts or by local custom regarding the utilization of river, spring, canal, and lake waters for irrigation or to supply inhabitants with water shall be preserved as they are. The conditions of the 3 February 1923 treaty, which cover fishing and navigation rights in Tiberias and al-Hulah lakes and in the Jordan River may be generally applied to all the water routes in the neighboring areas."

The good-neighbor agreement concluded by Palestine, Syria, and greater Lebanon through the British and French authorities reiterates the contents of the appendix attached to the border demarcation treaty. On 23 March [1949], Lebanon concluded a truce treaty with Israel. This treaty contains no reference to water. However, several points in this treaty attract our attention:

Article 2 notes that the treaty provisions shall not undermine the "rights, demands, or positions of either party on a final peaceful settlement to the Palestinian issue, because the provisions of this treaty are based solely on military considerations."

B. Article 5, Paragraph 1, states: "The truce line shall follow the international border between Lebanon and Palestine."

C. Article 8 states: "To facilitate movement from the current truce to lasting peace in Palestine, the two parties' right to develop a peaceful settlement shall continue to be valid." It also states: "The two parties to this agreement may amend the agreement or any of its provisions with mutual consent."

The border demarcation treaty concluded between Lebanon and Israel through the truce commission on 12 December 1949 makes no mention of the water issue.

On the basis of these provisions which are founded on international law, we can make the following observations:

- Israel has absolutely no right to demand a share of

al-Litani water, because al-Litani is a 100-percent Lebanese river

- International law applies to al-Hasbani, Marj 'Uyun, and other springs in Jabal al-Shaykh [Mount Hermon] and other areas. Lebanon is entitled to exploit a major part of their waters for irrigation and drinking. This is an indisputable right.
- Our media and political emphasis should not be confined to just Resolution 425, important as it is. It is our duty to highlight the truce agreement, and especially the 13 December 1949 Lebanon-Israel border demarcation treaty.
- The State of Lebanon must demand of Israel the full reparations stipulated by international laws for what Israel has done regarding water and other issues especially since 1967
- The Lebanese negotiator must not agree, under any circumstances, to give Israel any right, whether in terms of permitting it to build installations inside Lebanese territories or in terms of having such installations protected by Israel's army or technicians

Practical Proposals

Lebanon's wager on the new world order to protect its fundamental rights as a state, and not just protect its southern waters, is a very naive wager. Therefore, we propose the following:

- Entrench coordination on the water issue between Lebanon on the one hand, and Syria, Jordan, the Palestinian forces, and Egypt, on the other hand, and exert efforts to develop a common action strategy within the framework of the peace conference. In this context, what prevents the Arab irrigation and foreign ministers from meeting to develop such a strategy?
- Refrain from agreeing to regional cooperation with Israel on the water issue before a political solution is attained for the Middle East crisis and the Palestinian issue, and especially before Israel withdraws completely from Lebanon's national territories.
- There should be no objection to the creation of a UN-supervised Middle East water commission that seeks to regulate the sharing of water resources and that exerts efforts for the use of sophisticated new technology in this sphere.
- Lebanon must not agree, under any circumstances, to withdrawal of the UN forces from the south. Rather, Lebanon must demand that Russian, U.S., and European forces be introduced and deployed in all parts of the south, especially in Jazzin and the border strip. This should be done in coordination with the Lebanese Army.
- No step capable of impeding the comprehensive resistance in the south must be taken before a practical program is developed for Israel's withdrawal from the Lebanese territories.

Economy Minister on International Pressures

92AE0225B London AL-HAYAH in Arabic 10 Feb 92 p 9

[Article: "Trade Agreement Concluded Between Egypt and Lebanon: Lebanese Economy Minister to AL-HAYAH: We Are Subjected to Political Pressures That Impede Reconstruction Plans"]

[Text] Cairo—Lebanese Economy Minister Dr. Marwan Hamadah has disclosed that the Lebanese economy is currently subjected to international pressures because of Lebanon's position on the multilateral negotiations. Lebanon's delegation boycotted the latest round of negotiations, held in Moscow nearly a month ago. The minister added that these intensifying pressures have had negative consequences on implementing the Lebanese reconstruction plans, whose total cost is estimated at \$20 billion.

In an interview AL-HAYAH conducted with him in Cairo, the minister added that these pressures have reflected negatively on financing the first reconstruction plan, which is estimated to cost \$4.5 billion and to last 3 to 5 years. The pressures have also delayed the start of implementing this plan's elements, whether connected with restoring the electricity, water, sewerage, and telecommunication networks, or with the air and sea transportation network, not to mention housing.

Dr. Hamadah has expressed the hope that the countries likely to contribute to the Lebanon Reconstruction Fund will alter their positions, adding: "For this to happen, the Lebanese Government, led by Prime Minister 'Umar Karami, has launched, with the help of the Chamber of Deputies, a campaign to tighten expenditures, to alleviate the budget deficit, to reduce non-productive expenditures, and to devote the utmost effort to rehabilitating the infrastructure."

The minister also said: "Our phased objective is to create the field conditions that encourage the Lebanese and Arab private sector to participate in the reconstruction. This requires, in turn, repairing communication and electricity services, improving daily life in Lebanon, and enhancing governmental and administrative performance so as to attract expatriate Lebanese and Arab capital and to provide it with opportunities for investment in Lebanon."

Regarding the reconstruction plan and the Lebanese and Arab private sector's share in this plan, Hamadah has said: "Implementation of the reconstruction plan is spread over projects that the government will implement through Lebanese and Arab firms, with which agreements are now being concluded. The plan will also be implemented within the framework of an allocation policy which the government will adopt gradually in more than one service sector."

The minister added that Lebanon will be transformed in the coming years into a "major workshop to rebuild and to catch up with the bandwagon of development, which was halted for a long time by Lebanon's civil war." He also said that "Lebanon is preparing now to launch the process of rebuilding its infrastructure and it will throw the door wide open to its national companies and to other Arab firms to work through this workshop."

To make things easy for these Arab private sector companies, Lebanon has taken the initiative and passed the Real Estate Companies Law, which entitles Arab individuals, firms, and governments to participate with Lebanese citizens in rebuilding and developing the areas damaged by the civil war.

The minister noted that the "opportunity is open to all Egyptian contracting companies to contribute greatly to the reconstruction process. The help of foreign firms will be enlisted only within the narrowest limits. The priority in rebuilding Lebanon, the Arab country, will be given to Arab firms."

Minister Hamadah is visiting Cairo for the conclusion of a new trade agreement between the two countries. This agreement was concluded two days ago and it will replace the agreement that has been in force since 1956. Egyptian Economy and Foreign Trade Minister Dr. Mustafa Yusri, who signed the agreement on behalf of the Egyptian side, has noted that the new agreement regulates trade relations and trade exchange concluded in free currencies, encourages participation in international fairs and markets, gives both sides facilities and shipping priority on each other's carriers, and promotes businessmen's visits.

Dr. Yusri added that the new agreement gives preferential treatment to a number of commodities exchanged by the two countries and creates a joint trade committee, which meets at least once per year in each of the two countries.

The minister added that, within the context of the trade agreement, an equivalent deal valued at \$14 million and shared equally by the two countries has been concluded.

He has also noted that the trade volume between the two countries is growing greatly at present, rising from 14 million [Egyptian] pounds in 1986 to 64 million pounds in 1990, and that these relations will undergo major positive developments in the wake of this agreement, especially in the area of joint projects.

Fakhuri on Possible Belgian Reconstruction Role

92AE02554 London AL-HAYAH in Arabic 10 Feb 92 p 9

[Article by Nur-al-Din al-Furaydi "Belgium Aspires To Regain Its Role in Lebanon, al-Fakhuri to AL-HAYAH: Cost of Developing Beirut Port and Airport Is \$240 Million"]

[Text] Brussels—Lebanon's transportation plan falls under its comprehensive development plan and seeks to regain Beirut's role as the human and economic link between the East and West. The plans to develop Beirut airport, port, and joint transportation received great attention from Belgian businessmen during the visit Lebanese Transportation Minister Shawqi al-Fakhuri made to Belgium last week. The visit will be followed by meetings of experts and businessmen to take advantage of the listed projects, which will cost more than \$300 million.

In an exclusive interview with the minister by AL-HAYAH on the peripheries of the reception party organized for him by the Lebanese Byblos Bank at the end of the visit last Saturday, he said that the Transportation Ministry portfolio has been introduced for the first time in the current cabinet and that the ministry jurisdiction had been divided among various ministries in the past. He added that the transportation plan seeks to "highlight Lebanon's best two features, namely the port and the airport, and to reaffirm Lebanon's openness to the outside world, after it has been

isolated and boycotted. The plan also seeks to modernize joint transportation in order to alleviate the citizen's transportation costs and to reduce traffic jams and urban pollution." These priorities offer great opportunities for cooperation between Belgium and Lebanon.

Minister al-Fakhri also noted that 20 airlines have resumed their activities in Beirut Airport, where strict security measures have been established and where the service has been improved. There were 194,000 foreign passengers last year, and nearly 12,000 transit passengers also traveled through the airport. The ministry has completed, with the help of U.S. experts, plans to enlarge the airport and to supply it with the latest electronic equipment and with automatic conveyers "so that it will become one of the region's biggest and most modern airports, and will be able to accommodate 5 million passengers per year."

The development plan also calls for establishing a catering center to supply food to foreign airliners on long flights. Minister al-Fakhri believes that this center offers broad possibilities for cooperation with Sabena, the Belgian Airline Corporation. Meetings will continue in the coming weeks and months with the executive officers of the Belgian corporation.

Minister al-Fakhri noted that the cost of modernizing the airport is \$165 million.

Speaking on the possibilities of Sabena's resumption of its trips to Beirut Airport, suspended in 1974, Samir 'Alawi, the Middle East Airlines director in Belgium, has said that Sabena officials have pointed out that no planes are available for such flights. 'Alawi added that the Lebanese side has proposed that Middle East Airlines operate a second flight between Beirut and Brussels on the basis of cost and profit-sharing.

Regarding the port development plan, Minister al-Fakhri has said that the Transportation Ministry is working to restore the role of Beirut Port as a transit point between the East and West and to enable the port to "become an international center for trade and for storing large containers and re-routing them to the Arab countries." Today, transit shipping represents one-third of Beirut Port activity.

During his visit to Antwerp Port in northern Belgium, the minister expressed his admiration for the "degree of integration and for the overall technological modernization of container handling." Commenting, the minister said that what he and three Lebanese experts who have visited Marseilles, Italy, Antwerp, and Rotterdam in the Netherlands have seen "encourages one to enlist the help of technical expertise, especially in the area of container use to store goods and of allocating pier space for companies."

It is expected that meetings will continue between the two sides to determine the areas of technical cooperation, of in-kind assistance, and of the payment facilities that Lebanon may acquire. According to Minister al-Fakhri's estimate, the costs of modernizing Beirut Port range from \$60 million to \$75 million.

The minister also visited the Renault Bus Plant and he has told AL-HAYAH that the ministry plans to acquire 250 buses. A Renault official is expected to visit Beirut to submit the company offer so that the ministry can compare it with offers it has received from Italy's Fiat and France's Renault.

Regarding the payment facilities which the Belgian side may offer, the minister pointed out in his interview with AL-HAYAH that Lebanon is not asking for charity, noting that the country has maintained its credit worthiness in the financial markets despite the war years. The minister cited as an example the country's foreign debt, which is just \$320 million. He said that Lebanon is asking for long-term loans on easy terms so that it will be able to fully revive its economic cycle.

On the peripheries of the reception given by Lebanese Ambassador Dr. Sa'id al-As'ad in honor of Minister al-Fakhri, Belgian Foreign Trade Minister Robert Urbain has told AL-HAYAH that Lebanon's transportation plan offers immense possibilities for the resumption of technological and economic cooperation. Minister Urbain proposed that the Lebanese side consider concluding agreements to protect investments and to prevent the double taxation of investors, and that it make preparations to conclude an economic cooperation agreement between Belgium and Lebanon.

M. (Servoti), the general director of the Belgian Foreign Trade Commission, has said that the Renault bus plant ranks second in the world behind the German Setra plant, and that it produces 1,500 buses annually, 100 of which are exported to the U.S. market every year. The plant production has also entered the North African, Egyptian, and Syrian markets.

Servoti noted that Belgian corporations held second place in Lebanon since its independence and contributed to Lebanon's cable car, railroad, and electricity corporations. He said that Belgian corporations look forward to regaining this role.

Report on Electrical Grid Damage, Equipment Needs

92AE0225A Beirut AL-SAFIR in Arabic 24 Dec 91 p.5

[Article: "Report by Lebanon Electricity Corporation on Urgent Equipment and Production Needs, 1991 Consumption Needs Are 1,200 Megawatts Whereas Actual Production Is 515 Megawatts; \$230 Million for Grid Repairs, \$250 Million for Gas Groups Purchase"]

[Text] Hydroelectric Resources Minister Muhammad Yusuf Baydun has received a report from Engineer Hasan al-Tawil, acting general director of the Lebanon Electricity Corporation, on the urgent needs of Lebanon's electricity grid and production means.

The report includes a reference to the damage inflicted on the electrical installations in al-Jiyah and al-Zuq power plants, and on the overhead lines that carry power from the power plants to the main stations.

The report also touches on the steep increases in investment costs because of the Lebanese pound's declining exchange rate against foreign currencies and because wages have risen more than 350 times since 1974. This is in addition to rising fuel prices. These elements have upset the financial balance and, consequently, the balance of foreign loans that the corporation owes Arab and European funds. This has compelled the organization to borrow from the state and from the Bank of Lebanon at high interest rates.

The report also touches on the suspended implementation of the plan to equip the grid.

The report also refers to the capabilities of the production plants in al-Jiyah, al-Zuq, al-[Harshah], and al-Litani, noting that the total energy that can currently be acquired is within the limits of 465 megawatts [Mw], plus 50 Mw produced in the summer, and 150 Mw in the winter and spring by the hydroelectric groups. The report also notes that it is expected that production will decrease as a result of breakdowns that these groups will experience because of their old age.

The capacity needed for 1991 is estimated, according to the report, at nearly 1,200 Mw. This requires production equipment to produce nearly 300 Mw.

The report suggests acquiring gas-operated [turbine] groups because they reduce production costs by 35-40 percent when compared with other groups. The cost of these groups is estimated at nearly \$250 million.

The report also estimates that production needs will rise from 1.320 gigawatts [gw] in 1992 to 1.930 gw in 1996, meaning that the needs will grow by 700 Mw in the next five years.

The report concludes by noting the need to build a new production plant in al-Zahrani or in the north and to construct power-transmission installations, provided that the tariff is increased to make it possible to cover the cost because the tariff currently in effect, namely 45 pounds per kilowatt, doesn't cover 50 percent of the actual cost. This tariff constitutes no more than the fuel cost.

Following is the text of the report received by Baydun to be submitted to the Council of Ministers.

Prelude

The events that have shaken Lebanon throughout the past 16 years have put Lebanon Electricity, a public organization, in a difficult financial and technical position which is attributed to the following, in particular:

1. The partial destruction and damage sustained by the electrical facilities. We will cite, for example, the result of the shelling and of the internecine fighting with heavy and light weapons throughout 16 years of incidents:

1-1. The thermal power production plants in al-Jiyah and al-Zuq were the target of shelling and were hit repeatedly.

1-2. The most important overhead 150-kilovolt powerlines transmitting power from production centers to main stations (al-Zuq/Bsalim, al-Zuq/al-Jumhur, al-Jiyah/al-Jumhur, al-Jiyah/Bsalim) were hit, damaged, and repaired repeatedly. The same applies to numerous 66-kilovolt overhead powerlines, especially those located within the Greater Beirut or in the south, particularly:

Al-Litani/al-Jumhur and al-Litani/al-Bawshariyah line, al-Damur/al-Shuwayfat, al-Jumhur/al-Shuwayfat, al-Jumhur/al-Bawshariyah lines, and others. Currently, these lines are out of service.

1-3. The two underground 150-kilovolt lines that were allocated to supply Beirut with electricity from al-Jumhur plant, and for which a contract was awarded in 1977, have not performed their role. One of the two lines was built but was hit as a result of the acts of war and was put out of service. The other line was not built because of security and military reasons. The underground 66-kilovolt lines that supply Beirut with electricity from al-Jumhur break down frequently because of old age and because they pass through zones that were not secure previously. Because these lines are not ready, Beirut suffered in the past and continues to suffer in the area of electricity.

1-4. The main stations, especially those located in the Beirut area, were targeted by shelling operations which hit al-Jumhur, Bsalim, al-Hazimiyah, al-Hursh, and the UNESCO. Some of the stations were almost completely destroyed and have been put out of service, such as al-Saray, al-Shuwayfat, and al-Hariri in Kafr Falus.

Main stations outside Beirut are considered consumed because of the lack of maintenance and of overloading.

1-5. The electricity grid and medium and low-tension distribution stations, especially those located in the suburbs and towns that were subjected to battles and to the presence of the factions engaged in internecine fighting, have been damaged by grenades, bullets, and theft. On the other hand, all medium and low-tension grids generally are, because of rationing, loaded beyond their capacity during the hours when power is supplied.

2. Steep Increase in Investment Cost

This increase is due to the damage inflicted by the war and to the drop in the Lebanese pound's exchange rate against foreign currencies.

2-1. The Lebanese pound, which equaled nearly \$0.4 before the events of 1974, has now dropped to 900 pounds per dollar. Thus, the pound's value has dropped by more than 400 times versus the U.S. dollar, keeping in mind that the Lebanese Electricity Corporation's purchases (spare parts, new equipment, work instruments, consumed parts, fuels) are made in foreign currencies.

2-2. During the events, wages rose 350-400 times. The minimum wage of 275 Lebanese pounds is now 100,000 Lebanese pounds (75,000 plus 25,000 Lebanese pounds for transportation). It should be pointed out that despite these

increases, wages are still below the cost of living in Lebanon. This results in definite difficulties for Lebanon Electricity's employees and workers.

2-3. Fuel costs have risen nearly 1,300 times (from 60 Lebanese pounds per ton of fuel to 80,000 pounds).

3. Low Power Sales and Bill Collection

Because of the lack of stability and of the country's economic crisis, we have noticed that there have been increasing thefts of electric power. At the same time, the power sales tariff was frozen from 1983 to 1990 and was then increased tenfold. But this increase does not equal the actual cost, which is twice the current tariff.

4. Flaw in Financial Balance

The drop in the Lebanese pound's value and bill collection revenues have created a flaw in the financial balance which has been reflected on the repayment of debts and loans, which the Lebanon Electricity Corporation has been compelled to borrow from Arab and European funds. This has forced the organization to acquire loans from the state and from the Central Bank at high interest rates to repay foreign loans and to do urgent maintenance work and secure investment requirements.

5. Lack of Preventive and Annual Maintenance

Operating facilities have not been properly maintained due to either financial or security reasons (refusal of foreign experts to come work in certain parts of Lebanon since 1983 and the difficulty of transporting Lebanon Electricity employees and workers because of the events in Lebanon).

6. Suspended Implementation of Plan To Equip Electricity Grid

(Including the power production plants) This has been suspended since 1984 because of financial difficulties. It is to be noted that this suspension was approved by the Council of Ministers. It has had significant consequences, especially in connection with building power production facilities because years are required for the construction of such facilities. Thus, the definite and continuous production shortfall dictates that a decision be made immediately on this.

Capabilities of Existing Production Plants

The current energy production [turbine] groups suffer from a partial or complete lack of readiness due to lack of maintenance, breakdowns, and old age, as factors imposed by the developments and by the above-mentioned ramifications.

When put into operation, the net designated capacities of these groups were as follows (in Mw): —Al-Jiyah plant (steam-operated turbine groups):

Groups 1 and 2: 2x62 Mw (put into operation in 1970)

Groups 3, 4, and 5: 3x69 Mw (put into operation in 1980-1981).

—Al-Zuq plant (gas-operated groups):

Groups 1, 2, 3, and 4: 4x30 Mw (put into operation in 1974-1975).

In external temperature 15 degrees centigrade (ISO conditions).

Steam-operated groups:

Groups 1, 2, and 3: 3x145 Mw (put into operation in 1984-1985).

Group No. 4: 172 Mw (put into operation in 1987).

—Al-Harishah plant (Recovered by the government from Qadisha Company, the ex-concessionaire):

Groups 1 and 2: They have been out of service for several years because of old age.

Groups 3 and 4: Together, they produce no more than 25-30 Mw while experiencing numerous outages due to breakdowns.

Group 5: 72 Mw (put into operation in 1985).

—Al-Litani hydroelectric plants which are tantamount to numerous groups that produce 190 Mw.

—Other hydroelectric plants: These are groups with a capacity of 10 Mw [each]. They are scattered over several centers and they have daily storage facilities. They are in operation for only a few months a year.

In fact, because of small quantities of water and of the absence of dams and storage lakes (excluding al-Qir'awn and al-Litani lakes), hydroelectric plants produce no more than 50 Mw in the summer.

Moreover, the thermal groups cannot, in their present condition, produce more than the following: —Al-Jiyah plant: 150 Mw (group 3 is out of service and groups 1, 2, 4, and 5 are not fully available for operation because of air and water heaters and of auxiliary equipment).

—Al-Zuq plant:

Gas-operated groups: 40 Mw. Four groups are out of service and the fifth has to be stopped for general maintenance.

Steam-operated groups: 250 Mw. Group 3 is out of service.

Group 4 is under maintenance and groups 1 and 2 operate at a low capacity while awaiting general maintenance.

—Al-Harishah plant: 25 Mw. Groups 3 and 4 are somewhat old and group 5 has been out of operation for months because of a transformer

It is concluded from all this that the capacity that can be obtained currently from the thermal plants is as follows: $140+40+250+25=465$ Mw

One should add to this figure the capacity of the hydroelectric groups, which ranges from 50 Mw in the summer to 150 Mw in the winter and the spring. We must also not forget that the above-mentioned capacities of al-Jiyah, al-Zuq, and al-Harishah plants are not certain. From time to time and because of the condition of these groups, we should expect sudden breakdowns which cause the capacity of one group or several groups to be reduced.

When the incidents ended, the Lebanon Electricity Organization formulated a plan to repair its facilities, including the production units. The hydroelectric resources minister presented this plan to the Council of Ministers, which

approved it. The sum needed to implement the plan is estimated at \$230 million (\$20 million of which are payable to the Qadisha concession).

This urgent repair will enable us to obtain the following capacities from the thermal plants:

- Al-Jiyah plant (steam-operated groups): $(2 \times 60) + 60 + (2 \times 65) = 300$ Mw.
 - Al-Zuq plant (gas-operated groups): Under the thermal conditions of their site and because of the necessary periodic inspections: 140 Mw.
 - The steam-operated groups: $(3 \times 145) + 170 = 605$ Mw.
 - Al-Harishah plant (steam-operated groups): 70 Mw.
- Total: 1.095 gw.

But because a group (in al-Jiyah or in al-Harishah) could be taken out of operation for programmed maintenance and another group (possibly the largest) could be taken out due to an emergency breakdown during the peak period of the year (summer), it is necessary to deduct from the general capacity of 1.095 gw a reserve capacity estimated at $170 + 70 = 240$ Mw. This leaves the thermal groups with a guaranteed capacity of $1.095 - 240 = 855$ Mw.

After taking into account the certain hydroelectric capacity available during the peak period of the year (summer), the guaranteed general production capacity amounts, after repair, to 900 Mw (i.e. $855 + 50 = 905$ Mw) [figures as published].

Capacity Required for 1991

Because of the current shortfall in electric power production, we cannot practically assess the required capacity. But it is possible to estimate this capacity after taking the following into account:

- A. The total capacities recorded at the medium-tension outlets that supply the various parts of Lebanon (the Lebanon Electricity and Qadisha Concession grid).
- B. Technical losses at the main stations in the high-tension grid (which must be added to the capacities of the medium-tension outlets).
- C. The capacities needed for the areas currently separated from the grid and, consequently, not supplied with electricity, such as the industrial zones in al-Shuwayfat, a part of the industrial zone in the al-Na'imah quarter, the commercial center, the main station in Kafr Falus, and some quarters and towns where there are no medium-tension and low-tension stations. Steps must be taken to secure the capacity needed for these areas—100 Mw—when their grid is repaired.

Accordingly, the capacity required for Lebanon's peak period is estimated at 1.200 gw in 1991.

This figure sounds normal and logical when we take into account that the capacity recorded by the Lebanon Electricity Organization grid for the peak period of 1987 was 785 Mw, keeping in mind that the outlets left unsupplied that year (due to rationing) would have required 40 Mw. Thus, the estimated capacity for the peak period in 1987 was nearly 825 Mw.

On this basis, we estimate peak capacity of the Lebanon Electricity and Qadisha facilities for 1987 at 900 Mw. This leads us to estimate the peak capacity [required] for 1991 at 1.200 gw, i.e., an annual growth rate of 8 percent.

It is concluded from the above that a shortfall of $1.200 - 900 = 300$ Mw will continue to exist even after the plants are repaired.

Equipment That Has To Be Made Available Immediately

Because the period needed for installing a conventional (steam-operated) group ranges from 3.5-5 years, regardless of whether it is added to an existing plant or whether an entirely new plant is constructed for the purpose, we must consider supplying production means that require a shorter period to install. Gas-operated groups seem to provide a solution, because they are characterized by the following:

- A. Their installation period ranges from several months (when ready-made groups are involved) to two years (when made-to-order groups are involved).
- B. The cost of installing such a group is 35-40 percent less than the cost for a conventional steam-operated group with the same capacity.
- C. Lebanon's electrical grid will certainly need gas-operated groups that meet the needs of the peak daily consumption hours. Whatever the future plan, it will certainly make provisions for this type of [turbine] groups.

Regardless of the future increase in required capacity, the necessary steps must be made now to install gas-operated groups (operating on multiple cycles, if necessary) with a total capacity of 300 Mw, because this capacity is essential for meeting the Lebanese grid's need when it is repaired.

The IPC oil refining centers (in Tarabulus and al-Zahrani), where fuels are available and where sufficient quantities can be stored, are more suitable than other sites for installing these groups. Moreover, equipping these two sites with gas-operated groups ensures the power needed for the north and the south. In this way, we can avoid the difficulties created by the installations for transmitting electricity from al-Jiyah and al-Zuq to these two areas which do not have production plants.

It is estimated that \$120 million is needed for simple-cycle gas-operated groups producing a total of 300 Mw, and that \$250 million is needed for multiple-cycle gas-operated groups (characterized by lower fuel consumption than the simple-cycle gas-operated groups) with the same production capacity.

Equipment for Coming Years

Based on the annual growth rate of 10 percent observed for the Lebanese grid before the war events, the estimated maximum for the next five years is as follows:

- 1.320 Mw for 1992.
- 1.450 Mw for 1993.
- 1.600 Mw for 1994.
- 1.760 Mw for 1995.

- 1,930 Mw for 1996

Taking into account that the guaranteed capacity after repair will be 900 Mw and that the equipment which must be put in place immediately has a capacity of 300 Mw, thus bringing the total to 1,200 Mw; and in order to meet future needs, we must make provisions for an additional capacity of 700 Mw.

Therefore, in addition to the existing plants, we must build a new plant in al-Batrun, in the north, in al-Zahrani, or elsewhere. Studies should be started immediately to select the proper site for this new plant. At the same time, provisions must be made for facilities to distribute energy in a manner compatible with preparation of the plants and the facilities. All this should, of course, be coupled with an increase in the electric power sales tariff, so that this tariff can cover the actual cost, nothing more.

LIBYA

Conference Condemns 'New Crusaders Campaign'

LD0803191192 Tripoli JANA in English
1623 GMT 8 Mar 92

[Quotation marks as received]

[Text] Tripoli, al-Rabia [March] 8, JANA—Participants to the Conference on Unification of Arab and Muslim efforts to confront the 'new crusaders campaign' expressed their total support for and solidarity with the Great Jamahiriya in countering the new colonial campaign. This came in a message to the leader of the revolution at the end of the conference held on 3-4 March under the banner: "Against American and British Aggression on the Libyan Arab people."

The participants stated: "This tyrannical campaign comes within the framework of the imperialist scheme against the Great Jamahiriya as a result of its principled and firm stances towards the fateful issues of the Arab nation and support for peoples fighting for their freedom and independence."

Arab Doctors Union Praises Pan-Arab Stance

LD1702160192 Tripoli JANA in English
1802 GMT 16 Feb 92

[Text] Tripoli, al-Nawwar [Feb] 16 JANA—The assistant secretary general of the Arab Doctors' Union lauded the pan Arabist stances of the leader of the revolution and his earnest endeavours towards the unification of the Arab nation and his continued efforts for that sought after goal.

In a statement to JANA the Arab doctors carried out an all out strike throughout the Arab greater homeland, Dr Abderrahman al-Jabwa said that the Arab doctors were watching closely the current developments in the Arab arena and that they were living the issues of their nation. He referred, in this respect, to the strike by the Arab doctors in solidarity with Great Jamahiriya and condemnation of the new colonial campaign against it.

He condemned the Security Council Resolution 731 and described it as a dangerous precedent in violation of the United Nations conventions. He lauded the civilized stance of the Great Jamahiriya in dealing of the Pan Am and UTA aircraft incident by offering to refer the matter to neutral international judiciary.

SUDAN

Al-Turabi on Foreign Relations, Opposition

92AF0418A London AL-HAYAH in Arabic 6 Feb 92 p 5

[Interview with Hasan al-Turabi, secretary general of the National Islamic Front, by Mu'awiyah Yasin by phone to Khartoum, date not given: "Al-Mahdi, Nuqud No Less in Communication With Regime Than I; No Internal Opposition; Arabs, West Begin Accepting Sudanese Reality"]

[Text] According to Dr. Hasan 'Abdallah al-Turabi, secretary general of the National Islamic Front [NIF] supporting the regime of Lt. Gen. 'Umar Hasan al-Bashir in Sudan, "There is no trace of opposition within Sudan...those who opted for opposition abroad have chosen to leave the national arena." He hinted that the regime is in contact with former Prime Minister al-Sadiq al-Mahdi and Muhammad Ibrahim Nuqud, secretary general of the Sudanese Communist Party [SCP].

In an interview AL-HAYAH conducted with him by telephone from his office in Khartoum, al-Turabi said: "Sooner or later, Islam will express itself in Algeria." He revealed that he had carried out a mediation mission between Libya and the West last week, but that it failed. He refused to characterize some of his aides as fanatics. "Washington did not send a formal letter to Khartoum warning it not to harbor terrorist groups," he said.

Following is the text of the interview:

[Yasin] Regime opponents agree that it is totally isolated internally, except for the support of Islamists. Are you betting on its survival?

[Al-Turabi] There is no trace of the internal conflict you speak of. Sudan has never seen such popular acceptance as that of the national salvation revolution. Leaders of parties are conducting quiet dialogues with it without any convulsive outbursts. A few of them are reserved, but they are talking. None is alienated or disengaged. There is not a trace of what is happening abroad among the grassroots.

Opposition Treachery

[Yasin] To be specific, the opposition says that 99 percent of the Sudanese people are fed up with the regime. The opposition abroad has to be reflecting the view of its supporters inside the country.

[Al-Turabi] Those who went into opposition abroad have chosen to leave the national arena to relive the disputes with which they ruined Sudan, to live off the campaign being waged against it, and to betray their nation in the service of plots that they do not control.

When they left, we already knew that they would end up with nothing but the ferocious disputes in which they now engage.

[Yasin] Why did you avoid facing your opponents by refusing to attend the conflict resolution conference held last month at former president Jimmy Carter's center in Atlanta, while former prime minister al-Sadiq al-Mahdi was banned from taking part?

[Al-Turabi] Muhammad Ibrahim Nuqud (Secretary General of the SCP) and I refused to attend this conference. Neither of us applied to participate. I have not heard al-Sadiq's version of this particular story, but if he was banned, it was because the government did not want him part of resolving an issue more appropriately dealt with by the Sudanese themselves. If they have to take it outside a national venue, then let them move it into an African context, such as the current efforts of Nigeria.

[Yasin] Do you three arch-enemies, [al]-Sadiq al-Mahdi, Nuqud, and al-Turabi, ever get together as though the rift caused by Lt. Gen. Umar al-Bashir's coup d'etat never existed?

[Al-Turabi] We do not meet often, but we talk on friendly terms. There is no tension among us.

[Yasin] Of course, the two of them hold your close alliance with the regime against you. Do you not sometimes feel you have a moral obligation to use your energies to bring them into government?

[Al-Turabi] They are no less in communication with the regime than I am; they have means of access to it. They do not need someone to mediate or plead on their behalf.

[Yasin] Have you become so desperate that you have to impose your thought and opinions by force, rather than through free democratic dialogue?

[Al-Turabi] Sudan has no means of imposing thought, because very broad freedom exists in the universities. Newspapers are alive with various viewpoints, including liberal secularism and even socialism.

Regime An Example

Sudanese experience indicates that regardless of how strict or harsh the military regime may be, a mass demonstration has the power to overthrow it, as with former presidents Ibrahim 'Abbud and Ja'far Numayri. Given your well-known political sophistication, how can you be gambling that the current regime will not fall or collapse?

[Al-Turabi] Although the fate of Sudan and the Sudanese since independence has been one of turmoil and disturbance, we have an obligation not to surrender to fate, and an obligation to intensify the search for means of reinforcing stability so that every development is a positive one.

My position, of which you speak, arises from my conviction that Sudan has found the way to the stability it longs for. The lessons learned from all previous regimes of every type are gathered in this regime. The lesson has been

drawn, enabling the current regime to be constructed on that historic admonition. The hope is that it will evolve towards greater perfection.

[Yasin] Today's opponents were yesterday's allies. We used to speak of tolerance, communication, and non-alienation. Is not reconciliation and allowing the opinions of others the very least of these?

[Al-Turabi] The traditional method involved patching together Sudanese formations through haggling for reconciliation among the traditional leaders. This appears to be growing outmoded, as are all forms of government in Sudan.

The Sudanese people are now looking for a format that will overcome all of its struggles to allow its political will to unite and to involve all Sudanese in governing, without alienation or discrimination. This format is about to bear fruit, even though it is overriding some traditional political figures.

There is wide acceptance among the Sudanese of the regime's political and economic policies, as they now approach elections for the political organization. The National Council (Parliament) will soon meet to exercise powers never granted any previous parliament. I say this as a specialist in constitutional law. We will hold elections before the third anniversary of the revolution.

[Yasin] You seem to speak with a realism that one fails to sense among your aides, especially the young ones characterized by fanaticism.

[Al-Turabi] The [real] fanatics are the old regime, who do not want the Islamic voice to express itself.

Fanaticism, Relativism

[Yasin] You are said to be surrounded by a fanatical group of youthful zealots who are hampering your natural tendency towards politeness and the acceptance of others.

[Al-Turabi] Fanaticism is a relative term that depends on who is using it. There are people who are so lax and atrophied in terms of Islam that they view any amount of Islamic commitment as fanaticism. As a result, even ordinary people in countries of the Islamic world are considered fanatical by this standard.

[Yasin] This fanaticism may be reflected in the tendency to welcome groups categorized in other countries as terrorist. The United States says it has warned you that Sudan could be placed on the list of nations supporting terrorism. How do you feel about that?

[Al-Turabi] As of now, the accusation has not reached this stage. We have been told that we are exposing ourselves to this possibility because we have opened our doors to Arabs entering our country. However, this has not been communicated to Sudan in an official way. To the best of my knowledge, no message or communication has been sent to the Sudan officially in this regard.

[Yasin] Is it not genuinely fanatical, Doctor, to impose the veil on Sudanese women, given all the persecution and harassment that entails?

[Al-Turabi] The issue of the veil falls under the cover of programs for education and social reform. Compulsion and the law are not being used, but admonitions and expressions of guidance are. This is what is really happening. Radical change is brought about by changing society, not politics or the economy. That change is a part of the program to reform society that accompanies and is integral to any other reform. It is not a matter of law. It depends on private religious motivation and social forces within the existing mores of the people.

[Yasin] Algeria's representative experiment has been stymied, and the Islamists have been prevented from gaining power. Does that not frighten you?

[Al-Turabi] What are we to fear? The future of Algeria tomorrow is even clearer. Islam is Algeria's historical fate and that of its people. It was able to express itself, despite all the electioneering and legal tricks, voter-baiting, jailing of elected leaders, and hampering of election campaigns. What is certain is that formal obstacles will not stand in the way of that fate. Sooner or later it will express itself. But we had hoped that it would express itself in a framework of tolerance, so that it could be gentle and gradual.

[Yasin] You have just returned from Libya. Is that [because of] these never-ending crises between Khartoum and Libya?

[Al-Turabi] Not at all. I tried to make contacts to deal with the crisis between Libya and the West, but the Western position seems to be very rigid. It appears that the Lockerbie incident has been pre-agreed upon as a pretext. This was not a spontaneous move on my part, but one taken only after I had checked in various places that there was room for maneuver. But after going, I realized that instead of a determination to find ways to deal with the issue, the determination was to target [Sudan].

[Yasin] It is not logical for the West to accept your intervention while you are a principle cause of its hostility.

[Al-Turabi] I told you I checked various places; they were well-founded contacts.

[Yasin] The Sudanese regime has been tremendously successful in alienating itself in the foreign relations arena. How do you explain that?

[Al-Turabi] What you are saying is incorrect. The regime has strengthened relations with its neighbors to the north, east, south, and west in a manner greater than Sudan has known since independence. Our relations with Africa are very healthy, and the same is true of the Asian countries.

But it is true that the West, which experienced Sudan as a political and economic colony, and certain Arab countries that knew Sudan while in a state of weakness, need some more time to adjust to a Sudan that is much stronger internally and much more independent in terms of its political direction.

The world no longer accepts anything new, unless it imposes itself. I believe the West will become realistic. Through my private contacts with Eastern and Western diplomats, signs of satisfaction with the existing situation

and adjustments in the relationships for interacting with Sudan have begun to appear.

Sudan, West

[Yasin] Does this mean that poor, destitute Sudan can ignore the presence and influence of the West? Can the Sudan do without relations with the West?

[Al-Turabi] Sudan will, of course, not do without the West, but the old relationship was one of dependency for spiritual, intellectual, and material nourishment. The relationship we seek is one based on the principle of equality, interaction, giving, and taking. No nation can do without another, but unjust relationships in culture, economics, and politics must be corrected. Sudan has now awakened to straighten out that relationship. We are now making common cause with free men in Africa for this purpose, so that the new world order is not built on structures which are unjust themselves.

[Yasin] It appears that you personally feel that the required relationship must be expanded to accept an "empire" that you wish to build in Ethiopia, Eritrea, Somalia, and Djibouti.

[Al-Turabi] The building of hostile empires is a phenomenon known in the West since Roman times; it is not a tradition of ours at all. While it is true that the territory where our language and Islam has spread is expanding, the two are not absorbing others in order to dominate them.

Westerners judge phenomena by their own standards, in the same way they explain history. Sudan is now surpassing the boundaries imposed by colonialism and stretching its hand to others in the East and West, but without special incentives or [a desire] to dominate or be a caretaker.

Director General Discusses Prison Reform

New Facility Proposed

92AF0468A Khartoum SUNA in English 16 Jan 92 p 3

[Text] Khartoum, Jan. 16 (SUNA)—Director General of Prisons Department Brigadier (Prisons), El-Sheikh El-Rayah has said the proposed rehabilitation institution in Huda town at Sheikh Abu Zeid area, in western Omdurman, will accommodate 6,000 of the inmates currently in the prisons of Omdurman, Khartoum North and Gereif.

Brig. El-Rayah has indicated that Huda town will be provided with health, security, education, religious and social services in addition to a 300-feddan farm for growing vegetables and fruits, raising of livestock and poultry.

He explained that no measures were taken yet regarding the sale of Omdurman prison, saying the Finance Ministry would take the necessary measures for selling or investing its land in order to meet the expenses of establishing the Huda town.

Prisons To Educate Inmates

92AF0468B Khartoum SUNA in English 20 Jan 92 p 2

[Text] Khartoum, Jan. 20 (SUNA)—The Prison Director General, Brig. Al-Sheikh Al-Rayah, says they are planning to make of the prisons reformatory and educational institutions.

The prisons will play an instrumental role for linking the inmate to the Muslim community through the donations and contributions offered by the Islamic organizations. Rayah added. The task of preaching good manners will be redoubled so as to make of the prison a school for instruction, knowledge and faith as this is the best means for rehabilitation and return to the path of Allah and righteousness.

Brig. Rayah said they would endeavour to instill Islamic and Sudanese values for reorientation and rehabilitation of the inmate to turn him into a good citizen for his family and his nation.

They are considering providing married inmates to get together as spouses in accordance with the Islamic tenets and the Sudanese traditions, Al-Rayah said. He added in a statement to SUNA that they are also contemplating amendment of the act for the release of an inmate who learns by heart and properly recites the Holy Kuran.

The prisons Director General went on to say that arrangements are under way for finding a separate home for rehabilitation and care of female inmates.

He attributed the scarcity of social studies of conditions of inmates to the shortage of social workers in the prisons. Still, tremendous efforts are being exerted especially in the central prisons, Brig. Al-Rayah said hoping that social studies be reactivated for the benefit of the inmates.

Official Downplays Malaria Threat

Incidence 'Normal Pattern'

92AF0481A Khartoum SUNA in English 29 Jan 92 p 1

[Text] Khartoum, Jan 29 (SUNA)—Sudan is devoid of any epidemic diseases and malaria's widespread in some areas is attributed to the existence of agricultural schemes and swamps, which are good environment for mosquitos, said the Director General of the Preventive Medicine Department, Ministry of Health, Dr. El Sadig Mahjoub.

Dr. Mahjoub said in a statement to SUNA, that malaria cases in the country are of normal pattern, explaining that last year has witnessed the spread of malaria in the areas of Dongola, Atabara, Kassala and Port Sudan respectively.

Egyptian Sprayers Stopped

92AF0481B Cairo EGYPTIAN MAIL in English 11 Jan 92 p 1

[Text] The anopheles (the malaria mosquito) has arrived at the red belt between Egypt and the Sudan and spread in Ukasha city in Sudan. Sudanese security officials prevented the Egyptian purification mission from entering the country to fight the spread of the mosquito. Work has

intensified in purifying Lake Nasser and its adjacent areas as well as Abu Simbel city, attempting to prevent the entrance of the anopheles to Egyptian territory. A unit for fighting the mosquito has also been established at Abu Simbel to spray the boats coming from the Sudan.

TUNISIA

Split Between LTDH Leaders Discussed

Motives Behind Gribaa Letter

92AF0431A Tunis REALITES in French 31 Jan 92 pp 8-9

[Article by Moncef Mahroug: "Furor Over LTDH"—first paragraph is REALITES introduction]

[Text] Some of Hichem Gribaa's colleagues in the LTDH [Tunisian Human Rights League] accuse him of playing the government's game with his public attack on Dr. Moncef Marzouki. Gribaa denies it. The LTDH steering committee will tackle the issue on Thursday 30 January....

On 30 January, the air is sure to be highly charged at the second-story headquarters of the Tunisian League for the Defense of Human Rights at 23 Rue du Yemen. The LTDH steering committee meeting scheduled for that day is going to be a stormy one, for it will be devoted—probably exclusively—to discussion of the frontal attack made against the president of the organization, Dr. Moncef Marzouki, by Mr. Hichem Gribaa in an article published a week earlier in the daily LA PRESSE.

The fact that no one has accepted the LTDH vice president's challenge—"Is there anyone who will deny these facts? I urge him to do so publicly," he wrote on 23 January—should not however be taken to suggest the other members of the LTDH steering committee are indifferent to Gribaa's attacks. Quite the contrary. But in discussions between members of the committee still present in Tunis—a goodly number are in Italy to attend the congress of the International Human Rights Federation—it was decided that no one, especially not Dr. Moncef Marzouki, would respond to Hichem Gribaa. Indeed, some individuals specifically advised Marzouki not to respond.

Two considerations were behind this decision. First of all, those who urged it were concerned to prevent the LTDH from making an embarrassing public spectacle of its internal differences. Second, they considered that Gribaa, in attacking Marzouki, had really attacked the LTDH itself, so it was up to the entire steering committee, not just the president, to respond. The LTDH president has refused all requests by journalists to comment on his reaction to Gribaa's attack. Marzouki noted that "in a league where all political currents are represented, the inevitable conflicts and divergences of opinion are resolved within its own institutional structure: the steering committee, the national council, and the congress—and nowhere else." He then went on to say "it is the steering committee that will respond, after debating the issue at its next scheduled meeting."

For the moment, at least, the intent of the article's author—to destabilize the LTDH president and precipitate his departure—seems to have been frustrated. Indeed, his tactics may have backfired. Despite their own complaints about Dr. Marzouki, echoes of which have found their way into the press over the last year, steering committee members representing a variety of political currents are sharply critical of the LTDH vice president for violating a sacrosanct rule of the organization by washing its dirty linen in public. Mr. Gribaa's initiative is seen as all the more unacceptable owing to the fact that ever since the 12 December communique, the LTDH—whose existence and positions are the outgrowth of difficult negotiations and compromises between the disparate currents coexisting within it—has been faced with a serious crisis in its relations with the regime.

Mr. Gribaa indicated his apprehensions on this score when he wrote, in his 23 January article, "I know some will whisper that this is a government-inspired intrigue to bring down the LTDH. They will try to use this as an opportunity to denounce 'plots hatched against the LTDH president.'" Indeed, some on the steering committee do believe the LTDH vice president, who is employed on the staff of the minister of public health, is acting at the government's behest in this affair.

Clearly the LTDH steering committee members who level this charge against Mr. Gribaa have no irrefutable proof. However, they point to facts that they believe provide sufficient grounds to make the accusation.

The "timing" of the article, for example. Mr. Gribaa's detractors are shocked that he launched his attack against the president of the LTDH at the very time it is having problems in its relations with the regime. In their view, moreover, Gribaa had no good reason—apart from the harsh words about the regime that he himself attributed to Dr. Marzouki—to castigate the LTDH president at this particular time, since (as they point out) all the allegations have to do with long-past events.

Some on the steering committee point out that the vice president of the LTDH—who maintains in his article that as early as 16 November 1989 and "only a few months after Mr. Moncef El Marzouki's accession to the post of LTDH president" he had "questioned his ability to lead the League"—could have argued for the removal of the president of the steering committee and the LTDH last May. According to these sources, however, Mr. Gribaa was opposed to Dr. Marzouki's ouster at the time. The LTDH vice president himself admits this. He says now that the reason he opposed the move last May by some members of the steering committee to remove the LTDH president for the latter's highly critical article about Saddam Husayn was that he did not want Marzouki to lose his position over the Gulf issue, although he would not have objected if the issue had been Marzouki's leadership of the LTDH.

Somewhat chagrined, though not at all surprised, at the accusations regarding his motives, the LTDH vice president denies he was manipulated or pressured into attacking Dr. Moncef Marzouki. And what about the

"timing" question, the fact that the publication of his article coincided with the government-LTDH crisis? Hichem Gribaa dismisses it by pointing out that "one could never do anything if he had to postpone every action, initiative or statement on the grounds it might benefit some outside party."

The steering committee members who criticize Hichem Gribaa for his public attack on the league president also accuse him of having gone over to the other side—the government side—on the question of Tunisia's human rights record. Their accusation is based on the fact that Gribaa—in addition to attending the deliberations of the UN General Assembly "along with other personalities including parliamentary deputies, journalists, etc., at the invitation of the Ministry of Foreign Affairs," as he points out—also served on a government delegation to a preparatory meeting of the World Conference on Human Rights held in Geneva last September. Here again, the LTDH vice president says without hesitation: "The Ministry of Foreign Affairs chose me to serve on the delegation in an expert capacity."

So a heated fight is expected at the LTDH steering committee meeting—one in which its vice president may be at a disadvantage and in the minority, if the majority find that the complaints raised against him after his attacks on Dr. Marzouki are justified.

Condemnation of Marzouki

92AF0431B Tunis LA PRESSE DE TUNISIE in French
23 Jan 92 pp 1,4

[Article by Hichem Gribaa, LTDH vice president: "I Accuse..."—first paragraph is LA PRESSE DE TUNISIE introduction]

[Text] The following statement was provided to us by Mr. Hichem Gribaa, vice president of the Tunisian Human Rights League [LTDH]....

I have decided to express myself publicly about what is happening in the steering committee of the LTDH. It is a serious step to take, for someone who has been a League militant for the last 12 years. But the gravity of the situation makes it necessary to do so at this time.

My decision is not taken out of anger or on sudden impulse. I have pondered the question for some time. It is my conscience and my democratic convictions that prompt me to do this. Moreover, I maintain that the very principles of the League compel me to this course. I defend them categorically.

I did not wait to be made a member of the LTDH steering committee to express my democratic views or to struggle for pluralism and respect for civic and individual liberties. Those who have not forgotten past struggles will recall the electoral campaigns of 1981, 1982, 1983, and 1986.

I have decided to come forward with the truth out of respect for what the LTDH has meant to me in my life as a militant, respect for my comrades and friends, sympathizers and militants of the League—those who created it, those who have left it, and those still in it—and respect for

public opinion, which because it is uninformed continues to believe that normalcy prevails in the councils of the LTDH.

In reality, the situation on the steering committee has deteriorated to the point it can no longer be concealed.

I know some will whisper that this is a government-inspired intrigue to bring down the LTDH. They will try to use this as an opportunity to denounce the "plots hatched against the LTDH president." As always, they will claim they are the only real defenders of human rights.

The public should know that they will lie, they will try to manipulate public opinion with demagoguery and deceit.

It is my own decision to tell the truth. Those who know me well know that I have the courage and candor to say openly what some League militants are only whispering to themselves.

But now the Rubicon of irresponsibility has been crossed. From now on, no one has the right to keep silent.

I would like to remind all the members of the steering committee that on 16 September 1989, when the steering committee was first thwarted, only a few months after Mr. Moncef El Marzouki's accession to the post of LTDH president, I questioned his ability to lead the League. I warned that he had to give up the belief he was invested with a divine mission, that he had to stop confusing the League presidency as an institution with himself as an individual, and finally that his conduct risked plunging the League into crisis.

Is there anyone who will deny these facts? I urge him to do so publicly. The public is entitled to know the truth. I defend its right to be informed. Let us end the conspiracy of silence maintained under the fallacious pretext of saving the League. The only real way to save the League is to have the courage to tell the truth: to say that Moncef El Marzouki (who became the League's president by accident, thanks to a circumstantial coincidence) offered one of our comrades on the steering committee a "deal" that shows how deluded he is—"I'll give you the leadership of the Arab nationalist movement, and in return you give me leadership of the LTDH." How irresponsible!

Who among us has not suffered from the egotistic and pathological behavior of Moncef El Marzouki? He dared to declare he was the sole guarantor of the LTDH's independence. Did it not show his contempt of us for him thus to equate the League, all its history, its militants and its struggles for full independence with his own person?

Have we forgotten the humiliation of his trip to Senegal in late 1989, when without consulting us he went to tender his good offices in a conflict between states and—even worse—allowed the LTDH to become a pawn in a sordid game? The correspondence between the presidents of the Senegalese and Mauritanian Leagues stands as tangible proof of his charlatanism.

In an effort to preserve the independence of the League, we urged him on several occasions to stop negotiating internal League issues with the secretaries general of the political

parties—including the party in power. He refused, even asserting he would continue to do so for as long as he remained president. Who can deny these facts?

Dozens of times we went individually or in groups to ask Moncef El Marzouki to quit baring his soul in the columns of Tunisian and foreign newspapers and on foreign radio waves without first consulting the other members of the steering committee. He gave his word on numerous occasions, but he was never able to keep his own promises. Such conduct demeans the office of League president.

To satisfy his need for attention, he deceived the LTDH by participating, over the objections of the steering committee and without its knowledge, in international meetings, such as the November 1990 meeting in Oslo, whose purposes were suspect and unclear to the League. He also deceived the LTDH in October 1991 by participating in a private meeting in Canada on the justification for intervention in Iraqi Kurdistan, without informing the League either before or after the meeting. We learned of this only recently and by happenstance.

At the National Council meeting at Sfax in June 1990, one of our comrades took the floor to express his views. Moncef El Marzouki went right into a trance, repeating over and over that this comrade "thinks he's the president of the League." He lapses into these states periodically. The day after a League delegation visited the civilian prison in Tunis, several comrades dared to share their impressions with the press. The president gave them a scolding. He alone had the right to talk about his impressions.

I have not yet recovered from the humiliation of 29 November 1991 at the workshop on the penal code and penitentiary reforms organized by the League and the Arab Human Rights Institute. He opened the proceedings without even a word of welcome for our Tunisian and foreign guests. Unacceptable for a president of the LTDH.

He has never understood that the League is a pluralistic organization or that the role of the president must be that of an organizer who acts without animosity toward any of his colleagues, an arbiter among all viewpoints and factions, a conciliator who moderates excesses on all sides, and a synthesizer of differing positions.

His predecessors were perfectly successful in this role. Despite all our appeals and explanations, he has failed lamentably. He has been the source of all the excesses and an active participant in all the internal battles.

In a November 1991 meeting with the branches at Gafsa, this president publicly denounced the "obstructionist forces" on the steering committee. No one has the right to challenge what the president says or does. If you do so, watch out: you'll be labeled an obstructionist!

Just what sort of democracy does he think he is defending? And by what right does this president of the League presume to monopolize information, conceal from his colleagues his correspondence, the purposes of his frequent travels abroad, and the substance of his talks with members

of foreign political parties (the 1990 meeting with the PS [Socialist Party], for example)?

The list of his errors goes on and on. I will make it available to anyone who wants to know more.

He is not concerned about promoting democracy. All he wants is to continue making deals on the human rights "market." He grandstands only to drive up the bidding, playing politics at home and jockeying for position on the international stage. What a tragedy for the human rights movement. He exploits it for ends that have nothing to do with human rights.

The summer of 1991 was a grueling ordeal for me.

I became convinced that Moncef El Marzouki was destroying the LTDH. I shared this conviction with most of my colleagues on the steering committee. The problem was clear and simple: To save the League, Moncef El Marzouki had to go.

There was a high degree of consensus that he should be replaced, except for the reluctance of some who preferred to see the question resolved at the next congress.

I warned a number of people—including Marzouki himself, in front of a witness—that if the situation continued to deteriorate, I would take it upon myself to do the responsible thing, especially since it had been understood since March 1989 that I would not seek a new term.

Most recently this president told a foreign journalist that "the Tunisian regime is fascist, and we are living in an undeclared state of siege," etc. This was a manifestly irresponsible comment, coming from the president of an organization, which since its founding has stayed aloof from political controversy. Given its mission, it should refrain from making political judgments. Besides, the question of the nature of the regime was never discussed in the steering committee. By what right does he claim to be taking these positions as president of the League?

I have not struggled as a militant for the last 12 years in this association—which is respected all around the world, which has played an important role in the struggle against abuses and violations and in the struggle against all forms of fanaticism and extremism—only to stand aside as a silent accomplice to its destruction at the hands of those who would run it into the ground.

I have decided to breach the wall of silence and bear witness publicly.

I no longer have confidence in Moncef El Marzouki, and I will continue to fight within the LTDH that it may continue to be what it always was without him: a fortress for the defense of human rights. I will not mince words: I urge all human rights militants, whatever their political views, to intervene to stop this human rights charlatan from pitilessly destroying the League.

Hichem Gribaa, vice president of the LTDH

Information copies to the president of the FIDH [International Human Rights Federation], the president of the

Arab Human Rights Organization, and the presidents of all Maghrebian human rights organizations.

UNITED ARAB EMIRATES

ADNOC Reveals Organizational Structure

92AE0206A *Al-Shariqah AL-KHALIJ in Arabic* 13 Jan 92
pp 14-15

[Boldface words as published]

[Excerpt] [passage omitted] The Abu Dhabi National Oil Company (ADNOC) was founded pursuant to a resolution issued by the Abu Dhabi Government on 27 November 1971 under Law No. 7. The company was created to assume responsibility for exploring for and producing oil and natural gas and for refining, transporting, and marketing oil products.

On 5 June 1988, a governmental decree was issued forming the Supreme Oil Council in Abu Dhabi under the chairmanship of His Excellency Shaykh Khalifah Bin-Zayid Al Nahayyan, the crown prince of Abu Dhabi. The council was created to be the highest authority responsible for prescribing policies in all matters related to the oil and gas sector in the emirate.

This council assumed the tasks and responsibilities of managing the oil sector and supervising ADNOC. ADNOC's responsibilities consist of implementing the council's policy, managing industrial facilities effectively and efficiently, and ensuring compliance with the highest standards adopted by similar organizations in oil industries throughout the world. The council's current general secretary is His Excellency Suhayl Faris al-Mazru'i, who is the director general and executive officer in charge of the ADNOC Company.

Nine departments, organized according to specialty, are responsible for operations in ADNOC. They are as follows:

The exploration and production department: It is responsible for all oil and gas drilling and production activities in the concessions managed by the three project partnership companies, which are ADCO [Abu Dhabi Company for Onshore Oil Operations], Adma-opco [Abu Dhabi Marine Operating Company], and Zadco [Zakum Development Company]. It is also responsible for drilling and production operations in ADNOC's concession, for which it is solely responsible. The department's tasks include ascertaining that all land and marine areas of the UAE are fully surveyed and explored, and that optimal production is achieved in keeping with the most suitable application of oil-field management techniques. The department also coordinates the activities of four partnership programs responsible for providing support services to oil fields and the National Drilling Company, which is wholly owned by ADNOC.

The processing department: It is responsible for managing refinement and gas treatment operations and operating the 575-km gas distribution pipeline network. This department manages the only two refineries in the United Arab Emirates [UAE]: the Umm-al-Nar refinery, which was

built to provide for Abu Dhabi's growing needs (this refinery has now been replaced by a larger refinery), and the al-Ruways refinery. The latter has undergone many improvements that enable ADNOC to provide refined products to meet all of the UAE's needs, as well as a surplus for export.

The marketing department: It is responsible for marketing crude oil internationally, based on ADNOC's portion of shares in the three partnership production companies; selling refined products in the UAE and abroad; selling liquified natural gas based on ADNOC's share of the products of Gasco [Abu Dhabi Gas Industries Limited], which manages operations to produce accompanied and unaccompanied natural gas.

The planning and coordination department: It is the newest department, and is responsible for administrative planning and development in ADNOC; providing legal services; and coordinating and monitoring operations of the three partnership projects in Abu Dhabi (Gasco, Adgas [Abu Dhabi Gas Liquefaction Company], and Fertel [Ruways Fertilizer Industries] and the three foreign companies in which ADNOC has a share (the Pakistani-Arab Fertilizer Company, Ltd.; the Pakistani-Arab Refining Company, Ltd. in Pakistan; and the Arab Oil Pipeline Company in Egypt).

The projects department role is to implement ADNOC's main projects, and, at times, the projects of ADNOC's partnership companies.

More than 16 projects are currently being implemented. They include a third industrial treating unit in the Adgas facility for liquified natural gas on Das Island, ADNOC's project to develop land gas in Habshan, and the Abu-al-Bakkush projects to develop gas and to expand the Umm-al-Nar refinery, measures to automate operations, and other miscellaneous projects. The projects department supervises all of ADNOC's facilities.

The administrative affairs department has numerous responsibilities, including providing medical services and treatment in hospitals throughout the UAE. Falling within the scope of these medical services is an active, sophisticated environmental and occupational health care administration, which has begun to introduce advanced systems for monitoring and tracking environmental pollution. The administration is also responsible for handling matters of the residential area in al-Ruways, which was built to support the refinery and the industrial zone.

The financial department has three primary administrations: the financial control administration, the treasury administration, and the financial systems and procedures administration. The financial comptroller's function is to manage the budget and accounts and prepare reports and financial analyses. The treasury administration manages risks and protects financial balances. The third administration formulates plans needed to develop clear fiscal and accounting policies and specific procedures and regulations. The financial department also represents ADNOC

in meetings of the financial committees and the consultative committees of the boards of directors of a number of other companies in the group.

The services department supervises the processing of information on a computerized system considered one of the most sophisticated of its type in the Middle East. It is capable of preparing complex simulations of oil and gas deposits. ADNOC has acquired a worldwide reputation, thanks to its technical advancement in this field.

The services department handles personnel matters, including employment, training, compensation, and developing the abilities of national cadres and high school graduates sent abroad to specialized universities. [passage omitted]

Official Denies Treasury Notes To Remedy Deficit

92AE0218A London AL-HAYAH in Arabic 28 Jan 92 p 9

[Article by Shafiq al-Asadi]

[Text] Abu Dhabi—Nasir al-Nuways, the deputy minister of state for financial and industrial affairs in the United Arab Emirates [UAE], denied that the federal government is thinking about tendering treasury notes to finance the deficit expected in the UAE's budget for 1992 in order to benefit from the current low interest rates on treasury notes.

He stressed that the UAE Government did not resort to this method to finance the budget deficit during the crises that it experienced in the mid-eighties due to the drop in oil prices, nor it will do so now.

Speaking to the press in connection with the Conference on Foreign and Inter-Arab Trade Policies that began in Abu Dhabi yesterday, al-Nuways said that the increase in, and stabilization of, oil prices helped enable the emirates of Abu Dhabi and Dubayy to finance the 1991 budget and helped in issuing the budget at an early time last year. He added that oil price stability during 1992 will be reflected in the state budget for this year.

He said that the UAE will issue its 1992 budget in the first quarter of this year, that it will be at the same level as the 1991 budget, and that the budget deficit will be lower than last year's budget deficit.

The 1991 budget was issued last July. It totalled about 16.4 million Emirian dirhams, and the deficit was 667 million dirhams. Observers consider the 1991 budget an important turning point in the UAE's financial policy. The reasons they cite for this include the early issuance of the budget (relative to the practice in effect since the early eighties of issuing the budget at the end of the fiscal year), the increase in the size of the budget to more than 16.4 billion dirhams, and the reduction of the budget deficit to 667 million dirhams, compared to 4.5 billion dirhams in 1990.

The UAE saw a big increase in its oil revenues during 1990, which totalled about \$16 billion due to the increase in oil prices to about \$40 during the final quarter of 1991, and the increase in oil production after Kuwait and Iraq stopped exporting oil.

Oil circles estimate that the UAE's revenues from crude oil during 1991 will total about \$15.7 billion due to last year's continually high output, which totalled about 2.5 million barrels per day [bpd], compared to the UAE's production quota of 1.5 million bpd.

This increase in oil revenues enabled the emirates of Abu Dhabi and Dubayy to increase their input into the federal state budget as of 1991.

Financial circles estimate that Abu Dhabi's contribution to the 1991 federal budget totalled about 11.5 billion dirhams, while that of Dubayy's Government totalled about 2.5 billion dirhams (Dubayy produces 400,000 bpd of oil). The balance of the budget was covered by an estimated 2.4 billion dirhams in state revenues from services provided and other economic and commercial activities.

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